

Excerpt\* from:

*A History of the Unification of the City of  
Anchorage and the Greater Anchorage Area  
Borough*

Prepared by

Paul H. Wangness  
Principal Researcher

Final Research Report  
Anchorage Urban Observatory  
November 1977

Dr. Richard L. Ender  
Director

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\* This excerpt does not include the appendices, which consist of the following:

- Proposed charter voted on October 1970;
- Proposed charter voted on September 1971;
- Proposed charter adopted September 1975;
- Labor Relations Ordinance (Municipality of Anchorage Ordinance No AO 69-75);
- Alaska Bluebook 1975 – Section on "Local Government in Alaska";
- Schools in Anchorage; and
- Municipality Organization Charts.

The complete publication is available from the Local Boundary Commission staff, Alaska Department of Community and Economic Development.

A HISTORY OF THE UNIFICATION OF THE  
CITY OF ANCHORAGE AND THE GREATER ANCHORAGE AREA BOROUGH

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## PREFACE

What follows is but a part of the story of the unification of the City of Anchorage and the Greater Anchorage Area Borough to create the Municipality of Anchorage. In September 1975, voters in the Anchorage area approved the idea of unification by approving a charter and electing a Mayor and an eleven-member legislative body, the Municipal Assembly. This vote culminated many years of striving for unification including two previous voter rejections of charters. This brief account seeks to detail the work of the charter commission and to explain some of the events which led to the final vote.

The work of the charter commission has had a profound effect on Anchorage. A new, viable government is in place. The provision of municipal services has been changed. The previous bickering between two local governments has been eliminated and in its place has come the inevitable pulling and hauling which stem from a strong mayor vs. a strong legislature. The latter has not been completely resolved at this writing. Participants are learning to live with - and work within - the new form. It will take some time before the executive and legislators have developed the traditions and practices which provide the guidelines for action.

The approach used here has been to "capture and record" the events leading to unification and, primarily, the work of the charter commission. This approach neglects many of the fascinating topics which could be explored in the period of Anchorage's rapid growth from a tent city in 1915 to a metropolis of 185,000 in 1975. It is hoped that this volume may stimulate others to develop fully the rich story of experimenting with various forms of local government and the intriguing questions of effects of federalism as Anchorage moved from a part of a Territory through statehood. The accompanying changes in relationships with the ever-present federal bureaucracy, both civilian and military, present a unique story in local government.

As originally conceived, this volume was to be researched and written by a group of eight to ten people. With the guidance and assistance of three faculty members, graduate students were to take separate sections of the history. The graduate students had been chosen because of their deep interest and involvement in their topics. For example, two members of the charter commission were to prepare the sections on the work of that body; another graduate student was to write the section on annexation based on his experience in many of the annexation proceedings of the City of Anchorage. Several non-students were added to the group to gain the benefit of their long experience with the governing of Anchorage. But, as the project got underway, members of the group became heavily involved in their other activities and found that it was not possible to carry out their commitments to the project. Accordingly, the scale of the project was reduced and the timetable readjusted.

The writer wishes to acknowledge the valuable assistance of many people, and to thank those who made special efforts. Arliss Sturgulewski has been an enthusiastic supporter of the project from the start and spent many hours relating the experience of the charter commission, digging up materials, and reviewing early drafts. Stan Stoneking was very helpful in tracing through the annexation processes and in filling in other pieces of the story. Jane Angvik carefully read several of the drafts and made valuable suggestions. Don Dafoe contributed an excellent chronology of the development of the school district. Gary Thurlow provided most of the material on the Greater Anchorage Area Borough. Wilda Hudson provided a wealth of material for use in the research.

Despite the contributions of these people, the writer accepts the full responsibility for any errors of omission or commission.

August 1977

Paul H. Wangsness

## CHAPTER I

### INTRODUCTION

In many ways, the Anchorage experience of replacing two governments with one paralleled the efforts of cities and counties in the "lower 48" as they have sought to eliminate the overlap and duplication of governmental services while meeting the challenge of growth in the central city and suburbs. The parallels are seen in the territorial guarding by the elected officials and employees of the governmental units; the economic forces which favor the central city or the burgeoning suburbs; the efforts of various citizens, as individuals and in groups, pushing for a more rational governmental structure; and the great American game of tinkering and experimenting with different governmental forms in the hope of resolving problems with form and structure rather than substance.

The Anchorage experience was distinctly different, however, in one important respect, the transition from territorial status to statehood in 1969. The federal government has always exerted a profound influence on Anchorage (and all of Alaska) and the impact on local government services and structure placed a distinctive mark on the unification story. The federal government accounted for virtually all of the growth starting with the Alaska Railroad construction in 1915 right through the military construction, earthquake recovery, and resource development of recent years. In providing local government services to match the growth, the territorial government permitted cities, school districts, public utility districts and cooperatives - but no counties. (It was only after statehood that the borough form was introduced, laying the groundwork for the competition and bickering with cities which eventually led to unification.) For much of the history of the Anchorage area, it was the territorial legislature, the U. S. Congress, or federal agencies which either provided many of the local services directly or provided a good share of the financing for the facilities and services.

While the rapid growth of the Anchorage area was similar to that of many "lower 48" cities and counties in sheer numbers, there were similarities also in the lack of growth management policies and strong, uniform local government approaches to plan for and manage the growth.

The Anchorage area growth was sporadic, based on major construction projects, wars, and resource development, but it increased at unprecedented rates, vis 1940 - 4,229; 1950 - 30,060; 1960 - 82,736; and 1970 - 126,333. Much of this growth came outside the boundaries of the City of Anchorage and before there was the Greater Anchorage Area Borough with its limited powers. The lack of governmental services and regulations in the non-city areas was preferred by many people who represented the transient construction "boomer," the rural Alaskan who homesteaded to get away from government, and the "get rich" elements who avoided governmental controls and taxes. The minimal levels of service provided by the public utility districts were acceptable to these groups who resisted annexation by the City and expansion of borough functions after the borough was created.

The borough form came with statehood as the framers of the Constitution searched for an area-wide governmental form which would not have the inherent problems of county governments in duplicating services and organizational structures of cities within their boundaries. Following statehood and the passage of the Mandatory Borough Act, the people of the Anchorage area approved the Greater Anchorage Area borough, which meant that the new government would have area-wide powers of planning and zoning, education, and property assessment and tax collection. The second class status required voter approval of specific additional powers and functions which the borough might wish to undertake.

Additional functions and powers were approved so that by the time of the Borough's dissolution upon incorporation, the Borough was responsible for an area-wide sewer system, building code enforcement, fire prevention and suppression, transit, and parks and recreation.

The existence of the Borough and its adding of powers provided much of the bases of conflict and bickering between the City and the Borough. The City saw the Borough as trying to eliminate the City completely or trying to make the City a service district of the Borough. The Borough saw the City as trying to expand its sphere of influence directly into Borough areas by annexation, and opposing any Borough moves to create area-wide services and rationalize service delivery on an area basis. The bickering was often bitter on specific issues such as sewers or area-wide police responsibilities for the Borough. General issues were also hotly contested, as for example, in the attempt of the City to incorporate its own Borough and the first two charter elections.



From the early annexation moves of the City on through the successful unification vote there were individuals and groups who actively pushed for rationalizing the governmental services and structures. Most often their rationale followed the economy of scale and avoiding of duplication arguments. These people saw the need for single utilities, area-wide police services and single governing bodies, among other factors, and were active in advocating annexation and the later unification movements. The League of Women Voters was perhaps the most persistent voice in governmental reform for these reasons. Ad hoc groups such as the Operation Breakthrough and Citizens' Committee for Unification and the many groups which formed around single annexation battles, sprang up over the years. As one traces the names of influential citizens throughout these groups, it is obvious that there was a core of people who fostered these groups and their activities. Election results, however, produced a majority who voted for a charter commission 1969-70.

The persistence of these individuals and groups gained unification on the third attempt to obtain voter approval. This volume is organized to bring the reader from the early days of Anchorage to the time of unification to provide a historical perspective, the aim of Chapter II. Chapter III provides an overview of local government in the Anchorage area with brief descriptions of the City and Borough governments and how they evolved. Public utility districts are covered briefly in Chapter IV to give the reader an overview of Alaska's early multi-purpose districts. Chapter V details the annexation story of the City of Anchorage including several landmark legal cases which give many insights on local government problems in the early days. The story of unification is briefly sketched in Chapter VI with some of the flavor of organizing the charter commission, the way it undertook its tasks, and the major policies it dealt with. The final chapter, Post-Unification, provides a brief look at the problems in creating the new government with several examples of the advantages of a general, rather than specific, charter and a fairly long transition period.

The Appendix contains a chronology of the development of the school district in Anchorage; the complete text of Municipal Charter and its earlier versions which failed to gain voter approval; the Labor Relations Ordinance, which was so important in the transition from nine unions of the two former governments to an eventual five unions representing the employees of the new government; a section from the Alaska Bluebook 1975 with a brief description of local government in the State; and a

tabulation of election returns on the three charter elections. A Bibliography of many of the sources used in the study is at the end.

## CHAPTER II

### HISTORICAL PERSPECTIVES

The events leading to the unification of the City of Anchorage and the Greater Anchorage Area Borough can be traced from the decision to select Anchorage as the site for the construction camp for a major section of the Alaska Railroad through construction for wars and extraction of natural resources. Construction brought rapid, sporadic growth and demands for local governmental services. It also brought citizens of varying temperaments ranging from the construction "boomer," whose transient life style often coincided with the Alaskan "frontiersman" in shunning government, to the more permanent resident who wanted, and was willing to pay taxes to support, acceptable levels of governmental services.

Coinciding with the impact of the several construction booms were historical events creating the opportunity for applying various governmental solutions to meet those impacts. The historical perspectives on the governmental alternatives must be placed in the context of the Territory, the framing of a new state constitution with strong provisions on local government, and the creation of the borough as a complementing - and at times competing - agency of local government in the Anchorage area.

To gain an appreciation of the development of the charter and the successful vote on unification, it is important to have these perspectives in mind. In the following sections, brief descriptions will be given of the five periods of growth:

- 1914 to the end of World War I
- the 1920's and 1930's
- the World War II years
- post World War period
- the Trans-Alaska Pipeline boom

#### The First Period

In March 1914, President Woodrow Wilson signed the bill authorizing construction of the Alaska railroad and in the following spring the area witnessed its first of many construction booms. An important factor in constructing the railroad was to permit development of the interior region of Alaska and the coal fields of the Matanuska Valley just to the north of Anchorage. This stress on resource development was to remain an important factor in

Anchorage's growth as exploitation of coal, gold, oil, and other resources was pushed. The initial boom consisted of 3,000 persons housed in a tent city at a site on Ship Creek. The site had been selected for the railroad construction base because of favorable conditions for wharf construction and the navigable waters.

In July 1915, the Alaska Engineering Commission began laying out a townsite. The Commission was responsible for constructing the railroad as well as for providing the community services required by the workers, their families and those providing support services. A small townsite of 121 blocks was laid out, and the AEC auctioned off 887 lots. (If the townsite had been extended over a very large area, future governmental problems of providing services and avoiding overlap and duplication could have been avoided. But this is the province of the second-guesser.) New businesses and residences were built, governmental services were developed, and by 1916 the population had reached almost 6,000. But World War I drastically curtailed construction on the railroad, and Anchorage's first boom came to an end. The 1920 census showed a population of 1,856.

#### The 1920's

The area did not come out of its slump following the end of the war. Congress appropriated funds to complete the railroad and then for its maintenance and operation, but this failed to spur any substantial growth. A dampener of spirits came in 1922 when the coal from the Matanuska fields was tested and found lacking; and, at about the same time, the U. S. Navy decided to convert from coal to oil for its ships. By the end of the decade, the population was counted as 2,277 for a growth of only 421 people in the ten-year period. However, a major development of the 1920's was the incorporation of the City of Anchorage on November 23, 1920.

#### The 1930's

In the mid-1930's, Anchorage became the center of nation-wide attention as the federal government withdrew 8,000 acres of land for the use of 200 families and 400 unmarried laborers who were to colonize the Matanuska Valley. Anchorage served as a base for this migration in 1935, and the attention of the national press covered the arrival of the colonists. This was to serve as the highlight of a dreary ten-year period as Anchorage and the nation suffered through the depression. The 1940 census showed a population of 3,495.

### The 1940's

This decade marked a sharp turnaround for the area as the military began a period of construction which continued through the 1950's. The initial action was taken in 1939 when 5,000 acres of land were set aside for an airbase. A year later 3,200 troops arrived to begin construction; these were followed by civilian workers and their families. The influx of population, which brought a tripling of population in five years, spilled out over the City boundaries, creating many of the regional problems which officials later tried to resolve through a variety of governmental alternatives including annexation, public utility districts, the borough and finally unification.

This period saw the first annexation as a group of property owners successfully petitioned and voted for joining their area in south Anchorage to the City.

The end of the war saw an up-turn in construction rather than the slump which had been anticipated. A major project was launched in the construction of a new Army base, Fort Richardson. In addition, there was a general rebuilding of much of the Alaska railroad and construction of facilities for the rapidly growing air transportation industry. More construction workers and their families moved to the area exacerbating an existing critical housing shortage and the spill-over into the non-City area. The 1950 census showed an Anchorage City population of 11,254 while the Anchorage area showed a population of 32,060, the latter figure representing a 658% increase over the 1940 figure.

On the governmental side, the decade saw the adoption of the Council-Manager form by the City in April 1947. In May 1948, the Spenard Utility District was formed to provide services to the residents outside the City of Anchorage.

### The 1950's

This period saw a continuation of rapid growth. The Anchorage area experienced a population growth of 157% between 1950 and 1960 with census figures of 32,060 in 1950 and 82,560 in 1960. During the same period, the City of Anchorage grew from a population of 11,254 in 1950 to 44,237 in 1960. Much of the City growth was attributed to a vigorous annexation program during the decade.

The Korean War and military construction with such projects as the Dew Line and White Alice accounted for much of the growth. In the late 1950's, the Federal Aviation Administration had a major effort in the construction of communications towers throughout the state, and Anchorage served as the base for the operations. Commercial and residential construction also added to the boom.

The rapid growth gave the area a reputation as a "boomtown"; and, as Atwood has reported\*, numerous articles gave Anchorage such titles as "The World's Toughest Town," "The Bawdiest Community in North America" and described Anchorage's three basic industries as "liquor, military, and vice."

On the governmental side, the very significant development came in 1956 with the adoption of a State Constitution by the voters. The Constitution framers were intent on avoiding many of the problems of local government proliferation which plagued many metropolitan areas of the rest of the country. The framers specifically excluded any form of county government or special districts but made provisions for boroughs which, it was hoped, would provide necessary services along with cities without the problems of overlap and duplication.

Statehood was formally proclaimed in January 1959. In October of that year, Anchorage voters approved a Home Rule Charter for the City.

#### The 1960's

The construction boom of the 1950's faded as such projects as the military's communications facilities and base expansions were completed. The distribution and support services in the Anchorage area slackened, and high unemployment was the result in 1960 through 1962. Down the Cook Inlet, there was a flurry of speculation on both sides of the Inlet as discoveries and leases of gas, oil, and coal were very active. This created some activity in Anchorage but not enough to shake the City out of its slump. In 1961, Sea-Land, a major transportation company, greatly improved services at the Port of Anchorage; and this had a healthy effect on future economic growth due to substantial reductions in price and in the stabilizing of services that were possible. Prior to this improved service, much of the incoming freight was trans-shipped by rail from Whittier or Seward ports.

\*Evangeline Atwood, Anchorage: All-American City (Portland, Oregon: Bentoud & Mort, 1957), p. 42.

It was, paradoxically, the devastating earthquake of 1964 which opened a floodgate of economic recovery. The federal government poured hundreds of millions of recovery dollars for earthquake reconstruction. Rebuilding of houses, businesses, utilities, and streets wiped out unemployment and increased contractor and sub-contractor activities. The Alaska Railroad alone had an extra 400 employees just to rebuild track sections. Because Seward and Whittier both suffered extensive damage to their ports, the volume of activity of the Anchorage port greatly increased; and Sea-Land was extremely busy transporting the materials required for the rebuilding. The bulk petroleum storage capacity in Anchorage was also greatly increased because the facilities in the other port cities were destroyed. The year 1964 saw mostly clean-up, while 1965 and 1966 were the years of rebuilding. In contrast, the Vietnam War had little economic impact on the area with the exception of some increased air freight activity at the airport.

Toward the end of the 1960's, the pace rapidly quickened as North Slope oil became increasingly important. The State's \$900 million lease sale in the Fall of 1969 set off wild speculation in real estate. (The exploration had started in 1962 with little local impact.) Late 1969 through 1970 saw local and outside investors virtually stampeded by the magnitude of the oil companies' bids. Land prices soared and many businesses changed hands, but there was not much expansion in the number of businesses. (It was alleged that a Texas multi-millionaire bought up the equivalent of four square blocks in downtown Anchorage.)

Population figures for the Anchorage area illustrate the rapid acceleration in population growth during the latter part of the decade. Between the 1960 census and the special census of 1968, there was a population increase of almost 31,000, i.e., from 82,736 to 113,522. During the period of 1968 to the 1970 census, there was an increase of almost 13,000, i.e., 113,522 to 126,333. The 1970 census showed a City of Anchorage population of 48,081, while the Anchorage area population was 126,333.

As discussed in other chapters of this volume, the decade was a very active time for governmental actions. The City of Anchorage pursued a vigorous annexation policy and there were landmark court decisions on annexations. Following Statehood, the State Legislature enacted a Mandatory Borough Act which provided the impetus for the Greater Anchorage Area Borough, which came into existence in 1964. With the creation of the GAAB came the potential for overlap and duplication of powers and services within

the City of Anchorage which eventually led to the drives for unification of the two governments. Beginning in 1966 and continuing until the voters approved a Charter Commission in October, 1969, there was an on-going battle between the City and the Borough and concurrent actions by governmental officials and citizen groups to bring about unification. These continued until the third charter attempt and voter approval of unification in September, 1975.

#### The 1970's

Late 1970 and early 1971 saw a rapid deflating of the speculation balloon. In place of wild speculation, there were a great many people going into receivership and bankruptcy. Another severely dampening effect came in 1972 when Interior Secretary Stewart Udall declared a moratorium and placed a freeze on State selection of lands until all native land claims were settled.

Beginning in late 1972 and continuing through 1973 and 1974, there was a great upsurge in the development of service industries, such as transportation, finance, banking and insurance as the oil companies increased their exploration of their leased lands with test wells. The oil consortium, Alyeska Pipeline Service Company, had been formed for development; and contracts were being let for construction and production.

The passage of the Native Claims Settlement Act and the passage of the Pipeline Act in 1975 removed the obstacles to construction and prompted a great influx of population, continuing the growth which had begun in 1974. There was a very considerable increase in demand for governmental services of federal, state, and local government; and the impact of the pipeline caused a very considerable increase in governmental employment. (Note: Alaska and Anchorage had, since Territorial days, been heavily dependent on government employment. Anchorage "boosters" vigorously pursued governmental functions and facilities, such as post office, hospitals, military, air transportation and others.)

The rapid growth of the first half of the decade is reflected in the population estimate for 1975, which showed a population figure for the Anchorage area of 177,817. This represented an increase of over 15,000 over the 1970 census figure of 162,499.

#### A Summary

The history of Anchorage shows a series of booms with



an everincreasing population. The growth was spectacular at times and, as noted earlier, brought many of the governmental problems which officials had to deal with. The governmental forms which they had to work within, i.e. city, public utility district and borough, were inadequate to the task or the "politics" of inter-governmental relations and prevented any accommodation short of unification.

The causes of the boom were construction brought on by military and resource development. A vigorous group of "boosters" pushed the Anchorage area specifically but also was active in promoting the entire State. Just as today there is great lobbying effort for the natural gas line, so in the past has been the lobbying for the railroad, air terminals, post offices, hospitals, statehood, pipelines and others.

The growth is perhaps best reflected in the population figures, here summarized:\*

	Anchorage City Limits	Anchorage Area
1920	1,856	NA
1929	2,277	2,736
1939	3,495	4,229
1950	11,254	30,060
1960	44,237	82,736
1970	48,081	126,333

\* Source: "People in Anchorage," Planning Department, Greater Anchorage Area Borough, January 1972.

## Population of Anchorage and Alaska\*

Year	Anchorage	Alaska	Anchorage as Per Cent of Total
1940	4,229	72,524	5.8
1950	32,060	128,643	24.9
1960	82,833	226,167	36.6
1970	126,333	302,361	41.8
1971	131,800	310,250	42.5
1972	144,215	324,281	44.5
1973	154,610	330,365	46.8
1974	162,499	357,200	45.5
1975	177,817	404,634	43.9

\*Sources: U. S. Census Bureau, Municipality Planning Office,  
Alaska Department of Labor and Urban Observatory;  
The Developing Economy of Anchorage, Anchorage  
Urban Observatory Program, 1976.

### CHAPTER III

#### LOCAL GOVERNMENT IN THE ANCHORAGE AREA

The first form of local government in the Anchorage area was a unique mix of the officials of the Alaska Engineering Commission, which was responsible for construction of the railroad, and the local Chamber of Commerce. The AEC had originally laid out the townsites and conducted the auctioning of the lots.

The original boundaries of the township site and the grid-like features were to have very significant impacts on local government in the future. The small area laid out placed boundaries which were expanded only with considerable difficulties in future annexation actions. The original boundaries created an identity of the "city" which seemed to place a psychological distance between those who lived within the "city" and favored permanence, law enforcement, and controls, and those who lived outside the small area and favored less government, few controls and minimal taxes to support governmental services. The grid-like features of the original township layout were praised by some as an efficient grid and condemned by others because the planners ignored the natural features and advantages of the site in adhering to straight lines and the grid. In his very interesting documentation of the early years, Mongin cites one article of the time which said that the planning was representative of the worst in city planning.\*

According to Mongin, the first form of government was an advisory council which was conceived by the AEC and the Chamber of Commerce as a body to advise the AEC on routine township management. Mongin states that the presence of the body did not restrict the AEC officials from directly contacting the more influential Chamber members. The by-laws of the Council specifically excluded the large transient group by an at-large election of seven members by only the owners of lots. Despite the existence of the Council, the main interest of the AEC was in the construction of the railroad and township needs, such as services and utilities, often received less attention despite severe problems brought on by overcrowding and minimal services. An interesting feature of local government was the creation of reserve districts outside the township boundaries for a "red light district" in "South Anchorage" and one for laborers who could not or were not

\* Alfred Mongin, "An Evaluation of Anchorage Cultural Historic District" (Anchorage, Alaska: Alaska Division of Parks, August 1976). (Unpublished.)

willing to buy lots. Mongin states: "the area became known as 'Bodunk Village'. The majority of these workers were single men, natives of southern Europe, who on pay day bought money orders to send their earnings to their homes."\* These reserve districts, which represented an early form of land use control and segregation of occupancies, could be moved as the AEC and township authorities sold more lots.

In 1920, discussions were launched on the forming of an incorporated city. Earlier, influential Chamber leaders had opposed greater degree of home rule, which was possible under Territorial laws, because they feared that taxes would have to be raised if federal supports were withdrawn upon incorporation. The Chamber and AEC disagreed on the amount of land the AEC would turn over to the new government. The Chamber insisted on the new government receiving the unsold and forfeited lots as well as the permission to levy a tax on the residences owned by the Commission. The AEC offer extended only to the schoolhouse, firehouse, water mains, streets, alleys, and sidewalks and a block for municipal buildings.

In what amounted to a showdown at a mass meeting, the AEC Chief Accountant explained that the AEC and the government would no longer provide such basic services as municipal service and utilities because the period specified in the lot purchase agreements had ended, a decision that would have meant no fire protection and fire insurance for the residents. Mongin reports that the AEC official challenged the residents to accept the opportunity for self-government and thereby back up their continuing complaints against bureaucratic domination from Washington. To vote against incorporation "would mark the population of Alaska as being political hypocrites." Despite these strong statements, the vote barely gained the necessary two-thirds approval and then only after an AEC Commissioner and the federal attorney convinced the district judge, who had to rule on the results of the election, that certain votes should be ruled out.

#### The City of Anchorage

On November 23, 1920, the federal district judge signed the court order declaring Anchorage legally incorporated. At the election, the voters had also approved the first group of city officials. They elected the

\*Ibid., p. 8.

seven-member city council, one of whom was selected by his peers to serve as mayor under the weak-mayor form of local government authorized by territorial law. The weak-mayor form was to continue until April 1946, when voters approved a change to the council-manager form of government.

In early years, the city government was concerned primarily with the basic municipal services taking over from the AEC. The new city was somewhat unique among American cities, and remains so today, in the operation of a municipal telephone service, which it purchased from the Alaska Railroad in 1933, in addition to other utilities such as water, sewer, light and power. During the depression years, low tax revenues plagued city officials. Solutions were found by raising assessed valuations to one hundred per cent of market value while mill rates were increased from ten to fifteen mills. The city also managed to obtain substantial amounts of Public Works Administration money to finance such public facilities as a new city hall, school, paving, and utilities expansion.\*

Growing pains of the city placed greater demands on the part-time council, and in response the council established a utility board and subsequently a planning commission. The latter was charged with the responsibility of developing a master plan for the rapidly growing area. The addition of the city manager in April 1946, gave further evidence of growth and increasing professionalism of the city.

As noted in a subsequent chapter on annexation, the first annexation to the City came in September 1945, when a group of residents in an area on the south boundary petitioned to be annexed to obtain the benefits of the municipal services provided by the city. Five years were to elapse before the next annexation and then, in another four years, a flood of annexations started. These annexations placed heavy demands on the available city services and placed the city in conflict with the Chugach Electric Association. The initial impetus for forming the cooperative came from residents of the areas outside the city who were unable to obtain electricity from the city without annexing their areas to the city. That Association, organized in 1947 as a cooperative under the Rural Electrification Administration, provided electric services to residents outside the boundaries of the city. As the residents of these outside areas requested annexations and as the city became more active in

\*Atwood, Anchorage: All American City, p. 81.

expanding its boundaries, the two entities were, in effect, competing for customers. Unfortunately, REA officials in Washington only compounded the problem with more concern for bureaucratic needs than for identifying solutions. The dead-lock was resolved somewhat by the formation of Public Utility Districts, described in a subsequent chapter, and in agreements worked out between the city and CEA.

The major effect of statehood and the new constitution in 1959 was in creation of the borough form which was to bring another competing governmental entity for the city and, as this paper describes, the eventual unification of the City of Anchorage and the Borough. The new Constitution had as one purpose "to provide for maximum local self-government;"\* and, ten months after statehood, Anchorage citizens voted to adopt a home rule charter.

Through subsequent years of growth both in population and area, the city expanded in number of employees and professionalism but not significantly in new services. (As will be noted later, the area-wide services were mandated to the new borough form.) The city attempted to increase its sphere of influence and realize greater economies of scale through annexation. This brought it into often bitter conflicts with the Chugach Electric Association and the Greater Anchorage Area Borough. Conflicts over sewers and parks and continuing political bickering between the governing bodies was a major thrust behind the several attempts to unify the city and the borough.

At the time of unification in September 1975, the City of Anchorage was a large government. A full-time Mayor, although still under a council-manager form which restricted many of the powers of the Mayor; part-time council members; and a strong professional staff provided the legislative and administrative direction for the city. Permanent employees numbering 1250 were employed in the departments shown on the following organization chart.

\*Article X, Section 1, State Constitution

## BOARDS &amp; COMMITTEES

BOARD OF EXAMINERS & APPEALS  
BOARD OF GAS FITTER & PLUMBER  
EXAMINERS & APPEALS  
LIBRARY ADVISORY BOARD  
CONSTRUCTION ADVISORY BOARD  
CITIZENS COMMITTEE FOR  
COMMUNITY IMPROVEMENT

FORMER CITY OF ANCHORAGE  
ORGANIZATIONAL CHART

## COMMISSIONS

PARKING & TRAFFIC COMMISSION  
TRANSPORTATION COMMISSION  
PORT COMMISSION  
TELEPHONE COMMISSION  
ELECTRIC UTILITY COMMISSION  
CITY PLANNING ADVISORY COMMISSION  
CITY HISTORICAL & FINE ARTS COMMISSION  
CIVIL DEFENSE COMMISSION  
HUMAN RELATIONS COMMISSION  
BUDGET ADVISORY COMMISSION  
WATER UTILITY COMMISSION  
SISTER CITY COMMISSION  
INVESTMENT ADVISORY COMMISSION  
PARKS & RECREATION ADVISORY COMMISSION  
BICENTENNIAL COMMISSION

MAYOR  
CITY COUNCILCITY  
MANAGERINTERNAL  
AUDITDISTRICT  
JUDGECITY  
ATTORNEYCITY  
CLERKASSISTANT  
CITY MANAGER  
ENTERPRISE  
ACTIVITIESASSISTANT  
CITY MANAGER  
PUBLIC  
WORKSASSISTANT  
CITY MANAGER  
ADMINISTRATIVE  
SERVICESUTILITY  
CHRYSLER  
SERVICEPORT  
OF  
ANCHORAGEANCHORAGE  
WATER  
UTILITYMUNICIPAL  
LIGHT &  
POWERANCHORAGE  
TELEPHONE  
UTILITY

MUSEUM

LIBRARY

PARKS &  
RECREATION  
DEPARTMENTHUMAN  
RELATIONSCIVIL  
DEFENSEPOLICE  
DEPARTMENTFIRE  
DEPARTMENTUTILITY  
CHRYSLER  
SERVICEPORT  
OF  
ANCHORAGEANCHORAGE  
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UTILITYMUNICIPAL  
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UTILITYHUMAN  
RELATIONSCIVIL  
DEFENSEPOLICE  
DEPARTMENTFIRE  
DEPARTMENTPERSON-  
NELDATA  
PROCESSING  
DEPT.FIN-  
ANCE  
DEPT.

The city was quite unique in the broad range of services it provided. The city's services included the usual functions of police, fire, public works, parks and recreation, library and water and power. In addition, the city operated a deep-water port, a museum, a small airport and a sizeable telephone utility.

The governmental services were provided within the city limits, and the utility services were extended beyond city boundaries. City police services were extended in 1969 to the Spenard area by contract with the borough. The city's library was virtually an area-wide system in that it provided branch libraries by contract with the borough to Spenard, Eagle River, and Sand Lake. The city's telephone system extended over the entire area with the exception of the Girdwood and Eagle River-Chugiak area. The city's water services extended to Spenard and part of Muldoon. The city's light and power services and those of the Chugach Electric Association were often in bitter competition for territory outside of the city. The city's sewer system was taken over by the GAAB in 1969.

The city's electronic data processing system performed very well and included an effective financial management reporting system, which delivered timely reports. The city used a line item budget. Budgeting and fiscal controls were considered to be effectively used. The city managers had reputations for being "tight-fisted."

There was a heavy influence of labor unions in the city's personnel program. More than 70% of the employees were covered by labor agreements with three hiring halls being used. Only 30% of the employees were not covered by labor agreements. This number included about 70 department, division, and section heads who were under an executive pay plan excluding them from the merit system applicable to other employees. The city was noted for good wages and fringe benefits.

As can be seen in the organization chart, the city had a great number of boards and commissions. The bulk of them were advisory although several had important regulatory powers.

#### Greater Anchorage Area Borough

The framers of the State Constitution, following the influential report on local government by the Public Administration Service, sought to prevent the overlap and dupli-



cation of local governments which had created many problems in other states. The solution set in Article X, Section 2, provides:

All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

The State Legislature enacted the Borough Act of 1961, which provided for local initiative in the formation of boroughs. Similar to most other areas of the State, the Anchorage area did not initiate any action for borough formation. Consequently, with the failure of residents of urban areas to form boroughs by local initiative, the State Legislature enacted the Mandatory Borough Act of 1963, which required the incorporation of boroughs effective January 1, 1964.

A borough study group, formed in 1962, recommended a proposed Captain Cook Borough as a first-class borough for the Anchorage area. The State Local Boundary Commission expanded the boundaries of the proposed borough to include the area later occupied by the Greater Anchorage Area Borough, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough. The voters defeated the proposal.

Under the Mandatory Borough Act of 1963, the voters could choose between a first-class borough, which had the powers of a first-class city, or a second-class borough with limited governmental powers. The voters adopted the second-class borough form of government in an election held in December 1963.

The second-class borough exercised the three mandatory area-wide functions specified in the Mandatory Borough Act including education, planning and zoning, and property tax assessment and collection. Unlike a first-class borough which could add other powers and functions by a vote of the borough assembly in the same manner as a first-class city, the second-class borough could only acquire powers with the approval of the voters. In October 1965, voters decisively turned down an attempt to change the Anchorage Borough from second to first-class status.

#### The Original Area-wide Powers of the GAAB

The Mandatory Borough Act provided a transition period of two years from the time of borough incorporation for the transfer of area-wide powers from the city and the school board to the new borough. In an insightful article,

"The Anchorage Experience: Growth of the Borough,"\* Fischer describes the transition period and the limiting borough power by transfer agreements and resolutions prepared by city and school board officials. For example, in the transfer of the property tax assessment and collection from the city to the borough, city officials succeeded in reserving to the city the right to cancel the functional agreement on sixty days notice to the borough and also the power to foreclose on tax-delinquent property inside the city. (If this power had gone to the borough, that government would have acquired property on tax foreclosures within the city. The value of the foreclosed property would normally exceed the amount of the tax lien against the property.)

For education, the borough assembly adopted Assembly Resolution 32, based on a suggested agreement prepared by school officials. Under the Resolution, the Assembly retained only the power to ratify school board action. As Fischer points out, the board has failed "to exercise one of its most important functions and responsibilities."\*

#### Evolution of the Powers and Functions of the Borough

A thorough understanding of the Greater Anchorage Area Borough and its significance in the unification efforts requires an explanation of six factors: 1) the powers and functions of the borough; 2) the rapid population growth in the area outside the City of Anchorage; 3) particularly in the last three or four years from unification, the undeveloped character of much of the area requiring borough services; 4) the socio-economic character of much of the "original" population of the area, including strong "anti-governmental services" attitudes; 5) the vigorous anti-borough attitudes and actions of the city government and the Anchorage Times; and 6) the attitudes and actions of borough officials and the Assembly.

#### Population Growth

As noted in the chapter on historical perspectives, the population of the area grew very rapidly but never more rapidly than during the first five years of the 1970's when there was an influx of 50,000 people. Most of these were to settle outside the city boundaries and, therefore, were dependent on the borough for local governmental services.

\* Richard Fischer, The Metropolitan Experiment in Alaska, ed. by Ronald C. Cease and Jerome R. Saroff (New York: Frederick Praeger, Publishers, 1968) pp. 300-325.

\*Ibid., p. 319

### Undeveloped Character of the Area

There were minimal roads, water and sewer services, police and fire protection, and other basic levels of governmental services in the area. Much of the terrain was difficult to build on, and some home and lot buyers found that they were in swampy areas without proper sub-surface conditions. Most of the improved roads had been provided as section line roads by the territorial and state governments, and these were relied on as access to homesteaded properties.

After the establishment of the borough in 1964, it took four to eight years for the borough to extend zoning, building code enforcement, and requirements for subdivision improvements to most of the area outside of the City of Anchorage. The results were incompatible land uses and blight.

### Citizen Attitudes

Many of the earlier residents of the "borough" were hostile to government and local government taxes. They had homesteaded or settled in the area because they did not want to live in an urban environment. They had resisted annexation to the city, and they resisted the creation of the borough. When the borough was created, they worked to restrict its powers to those of a second-class borough and were hostile to the borough acquiring additional powers either by a vote of the people or by legislative action.

Many of the subdividers in the area favored a weak local government to avoid the higher costs associated with building codes or minimum requirements on lot sizes and shapes, paving, sidewalks, dedication for parks, undergrounding of electric utilities in new subdivisions, and other purposes.

### City Opposition to Boroughs

The City of Anchorage deliberately and vigorously opposed the Borough in virtually all of its development of governmental powers and functions. In subsequent sections, city actions on specific functions will be described. Here it is enough to say that city officials, with the strong endorsement and support of "downtown" influences including the Anchorage Times, worked to prevent the borough from developing faster as a local government.

### Borough Officials

One reason the borough was slow to develop as a full-fledged local government and to take on a greater number of

powers and functions was the attitudes of the first borough officials and assemblymen elected outside of the city area. For example, the first borough mayor was the former chairman of the Spenard Public Utility District, John Asplund, a man very familiar with dealing with the city. Upon election to the borough mayor's position, he moved slowly and deliberately. For several months, there was just one employee of the borough, Pat McKee, the borough assessor. Throughout his eight years in office, Asplund gained a reputation as being "low-key." He delegated much of the workings of the borough government to department heads while he concentrated on the very major task of constructing sewers in the rapidly urbanizing areas of Anchorage. His successor, Jack Roderick, was also noted for his "low-key" approach and delegation of responsibility to administrative heads. Jack Roderick pursued interests in land use, land development and environmental quality.

As noted elsewhere, the Borough Assembly had eleven members with the majority of six members directly elected from the non-city area and five members appointed from the City Council by the members of that body. (When the population of the city exceeded that of the non-city areas, there was a weighted vote provision which gave the city control on certain area-wide issues.) Several of the non-city members represented the "rural" elements, and they were hostile to the borough acquiring new powers. Similarly, the city members often voted as a bloc to hold down borough functions. (In fact, one city member on the Assembly was not reappointed to the Assembly because of her continued support for the borough's sewer plan, which the majority of the City Council opposed.)

#### Powers and Functions of the Borough

The Mandatory Borough Act gave the second-class borough the area-wide powers of planning and zoning, education, and property assessment and tax collection, and also for the functions of the Spenard Public Utility District, the health district and building code enforcement. Other functions were added subsequently by votes of the people and actions of the Assembly. A two-year transition period was provided for assumption of the area-wide powers. A table showing dates of acquisition of other powers follows.

#### Education

The transition of the independent school district to the new borough was accomplished with ease as the Assembly accepted the philosophy of operation proposed by the school board. The Assembly adopted a resolution which continues today to provide a high degree of autonomy to the school

## BOROUGH POWERS ACQUIRED BY VOTE OF THE PEOPLE\*

<u>Date</u>		<u>Borough Power Acquired</u>
Oct. 6, 1964	-General	Health (Areawide)
Oct. 6, 1964	"	Sewers (Outside cities)
Oct. 5, 1965	-General	Dog Control (Areawide)
Oct. 5, 1965	"	Fire Protection (Sand Lake Svs. Area)
Oct. 4, 1966	-General	Sewers (Areawide)
Oct. 4, 1966	"	Roads & Drainage (Svs. Area #1)
Oct. 4, 1966	"	Fire Protection (Svs. Area #2)
Oct. 4, 1966	"	Roads & Drainage (Svs. Area #2)
Oct. 3, 1967	-General	Fire Protection (Svs. Area #10)
July 30, 1968	-Special	Fire Protection (Svs. Area #8)
Oct. 1, 1968	-Regular	Libraries (Outside cities)
Jan. 28, 1969	-Special	Fire Protection (Svs. Area #9)
Mar. 25, 1969	-Special	Spenard Svs. Area Powers Annexed
Apr. 14, 1970	-Special	Police Power (Spenard Svs. Area)
Oct. 5, 1971	-Regular	Aurora, Quik Log, Hollowbrook Subdvs. Annexed to Spenard Svs. Area
Oct. 5, 1971	"	Murray and Dowling annexed to Spenard Service Area

\*Powers which may have been acquired through transfer from the City of Anchorage are not listed above.

"Authorities & Powers of the Greater Anchorage Area Borough,"  
Greater Anchorage Area Borough Legal Department, 1975.  
(To be found in the Municipality Legal Library.)

board as compared to policies adopted by the Kenai Peninsula Borough and the Matanuska-Susitna Borough.

### Planning and Zoning

The planning and zoning functions were transferred with delay and difficulty. The city provided planning and zoning services on a contractual basis for a short time before the city staff transferred to the borough. However, the city was reluctant to give up the functions completely, retaining the board of adjustment function (variances, zoning interpretations) and taking enough stands contrary to the zoning recommendations of the borough planning staff to provide a continuing source of irritation through the years.

The borough did not aggressively pursue either planning or zoning, which, for the first several years of the borough existence, was accorded low priority compared to sewers, the highest priority. A comprehensive plan for the area was not adopted until 1975. Much of the non-city area remained unzoned until 1971, and there were still areas zoned "unrestricted" as late as 1974. The initial zoning effort was to assign zoning which recognized existing use designations which permitted owners a wide range of options. (For example in Spenard, R-2 was extensively used; this permitted owners to build up to eight-plexes in predominantly single family neighborhoods.)

Platting and subdivision controls were feeble before 1973. Before that time, the State of Alaska issued "Paper Plats" and after the creation of the borough in 1964, the borough continued the practice with only a cursory review of the platting applications. The problems with "paper plats" was described in a publication of the Greater Anchorage Area Planning Department issued in July 1975, under the title of Land Development Manual:

#### Paper Plats

Until 1973, the borough did not have a policy requiring subdivision improvements as a condition of plat approval. As a result, a number of 'paper plats' were filed, some of which were mainly lines on a recorded document. Many of these paper plats are in swampy areas. Because of the characteristics of a paper plat, a person buying lots within them often has:

1. no road access through the subdivision to his lot unless he builds the road himself;

2. no access to municipal water;
3. no means of sewage disposal other than a holding tank;
4. no means of locating the boundaries of the lot except through expensive surveying from a distant monument.

### Building Code Enforcement

Upon the recommendation of the State's Local Affairs Agency, the Attorney General issued an opinion stating that the boroughs had gained building code enforcement powers as part of the area-wide planning and zoning power. Thus, the Greater Anchorage Area Borough should have been enforcing a building code on an area-wide basis. (A discussion of the Attorney General's opinion may be found in an article by Theodore E. Fleischer.)\* Instead of enforcing the code on an area-wide basis, the GAAB Assembly adopted a policy to exclude the City of Anchorage as well as the Eagle River-Chugiak and the Girdwood areas.

### Health and Sewers

Health and sewage powers were acquired by the borough by a vote of the people on October 6, 1964.

### Environmental Quality

As the area-wide government, the borough was the natural locus for the development of environmental quality functions. Rather late in the life of the borough, the borough augmented its health function with a Department of Environmental Quality, which included environmental sanitation, environmental engineering, and junk car control.

### Police and Fire

The people of the Spenard area voted for the exercise of police powers in 1970. The Borough Assembly decided to contract with the City of Anchorage rather than create its own police department. There was some grumbling among borough assemblymen about the city's overhead rate on the direct costs of services. The rest of the non-city area was policed by a relatively few State Troopers. In 1974, the borough was soundly defeated at the polls when it proposed to provide area-wide police services. The city vigorously opposed the borough proposal.

\* Ronald C. Cease and Jerome R. Saroff, ed., "The Law and the Attorney General," The Metropolitan Experiment in Alaska (New York: Frederick A. Prager, Publishers, 1968).

In the period 1966-1969, voters in the Spenard, Muldoon and Sand Lake areas authorized the borough to assume fire protection powers. Once the voters had approved the acquisition of the power, the Assembly could decide whether to contract the services to the city or to develop its own fire department. In this case, the Assembly was so unhappy with the progress of negotiations with the city on the city's overhead rate for contractual services that they created a fire department which paralleled the city's in terms of officers, equipment, and communications facilities. The borough developed a series of stations and fire companies to cover the non-city area except for the Chugiak and Girdwood areas. Several major problems developed between the two departments, including compatibility of equipment. When there was a major hotel fire at the Gold Rush Hotel, adjacent to the city's boundaries, there were charges that the city failed to respond effectively to the borough's request for assistance, thus increasing a loss of lives. Such claims were used as an example of the need for unification.

In 1974, the three fire service areas, each with a different mill levy, were combined into one, Service Area 13. Later, in 1976, the hillside area, thought by many to be a stronghold of anti-government sentiment, voted to come into the service area.

#### Parks and Recreation

The Borough Park and Recreation power came largely because of citizen interest in acquiring park sites in the rapidly developing non-city area. In the early 1970's, the active and vocal park interest groups campaigned for the acquisition of the Chester Creek greenbelt (within the City of Anchorage), bike trails, and park sites outside of the city boundaries, including a Campbell Creek greenbelt and a Borough Park Department. They were successful in achieving all four objectives.

#### Transit

The borough acquired the transit function because it was an area-wide function. The city had started the system on a demonstration basis using federal mass transit demonstration money. After the demonstration had proved successful, it was necessary to transfer the system to the borough if the program were to be eligible for federal mass transit monies.

#### Roads

The borough's moving toward the providing of urban-type services outside the city has been termed "glacial" in speed.



Roads in the area were poor. In the earlier days, the territorial and state governments had built section line roads and they were the major arteries. The citizens tolerated these conditions rather than pay for road improvements. This changed during the period 1966-1973 when the residents of the Muldoon, Sand Lake, Spenard, and later, Ocean View voted road and drainage powers with mill levies ranging up to 2.5 mills. In 1974, the Assembly merged these into Service Area 35.

At the same time, much more stringent subdivision regulations were adopted: a) paving of subdivision streets in most of the Anchorage bowl area (the "urban area"); b) building non-paved roads up to minimum standards in the non-urban areas; and c) the undergrounding of utilities in most of the Anchorage bowl area. These subdivision regulations had a major effect in improving the appearance and workability of the subdivisions.

#### Sewers

Some have claimed that the building of a sewer system integrating four existing systems and providing many new sewers was the major accomplishment of the borough. The borough was granted the area-wide sewer power in an election, October 1966. The major push on sewers from 1967 to 1972 was due, in large part, to the interest of the mayor and the realization of many that without an adequate sewer system there could be very limited development of the area. Yet, the continuing population explosion indicated that development and growth were coming regardless of whether local government services and facilities were ready.

There were differences of opinions on whether the borough should have the area-wide sewer function. Those who were anti-borough tried to find means of integrating the four existing systems without increasing the borough's powers. Borough supporters, on the other hand, pointed out that there was no possibility of providing primary and secondary treatment without an area-wide system and that it was unlikely that federal funds would be forthcoming unless the system were integrated and area-wide.

The borough's sewer system grew in several ways. In 1969, the city turned over its system. The borough acquired the sewer system of the Sand Lake area by purchasing it from a private utility, the Central Alaska Utility, which had both water and sewer systems in Sand Lake. The third means was construction of new sewers by the borough after bond issues were passed and federal funds obtained.

There was a great deal of criticism of the borough's sewer program with excessive costs cited as the major point of contention. Supporters of the borough pointed out that the sewers should have sufficient capacity to handle projected population increases and land development and that oversized facilities were most economic in the long run:

#### Organization and Staffing

As can be noted in the attached organization chart, the borough was a "flat" organization with a great number of department heads reporting to the staff director. Many of these were relatively small departments as can be judged from the total number of personnel the borough employed. Although the growth in the number of personnel started very slowly, by the time of unification, the number of permanent full-time employees was 850.

The borough had a strong civil service system with just the department heads and a few others exempt. Unlike the city, there were very few labor agreements. In part, this was due to the nature of the borough's functions which did not involve the employment of "blue collar" workers or persons in occupations which are traditionally unionized. One of the last acts of the Borough Assembly before unification was to recognize the union of the general government employees, the Alaska Public Employees Association

PLANNING & ZONING COMMISSION  
 PLANNING BOARD  
 ZONING BOARD  
 BOARD OF BLDG. EXAMINERS & APPEALS  
 COMPREHENSIVE HEALTH PLANNING COUNCIL  
 PARKS COMMISSION & OPEN SPACE BOARD  
 LIBRARY BOARD  
 PUBLIC TRANSPORT ADVISORY BOARD

STAFF  
 DIRECTOR

SCHOOL  
 BOARD  
 SUPT.  
 OF  
 SCHOOLS

CITIZENS OF  
 GREATER ANCHORAGE AREA BOROUGH

BOROUGH  
 MAYOR

CLERK'S  
 OFFICE

BOROUGH  
 ASSEMBLY

PUBLIC  
 TRANSPORT

BEO  
 OFFICE

PUBLIC  
 INFORMATION  
 OFFICE

DATA  
 PROCESSING

INTERNAL  
 AUDIT

COMPREHENSIVE  
 HEALTH  
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FINANCE  
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DEPT. OF  
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 ASSESSMENT  
 MANAGEMENT

DEPT. OF  
 ENVIRONMENTAL  
 QUALITY

HEALTH  
 DEPT.

DEPT. OF  
 PUBLIC  
 SAFETY

DEPT. OF  
 PUBLIC  
 WORKS

DEPT. OF  
 RECREATION

PERSONNEL  
 PROGRAMS  
 Bldgs. and  
 Facilities  
 General  
 Services

ORDINANCES  
 APPROVED  
 PROSECUTION  
 LEGISLATIVE  
 LIAISON

CONTROLLER  
 RECEIPTS &  
 COLLECTIONS  
 PURCHASING

COMPREHENSIVE  
 PLANNING  
 SERVICES

PROPERTY  
 ASSESSMENT  
 RIGHT-OF-WAY

JUNK CAR  
 REMOVAL  
 ENGINEERING  
 AIR POLLUTION  
 CONTROL

HEALTH  
 SERVICES  
 SPECIAL  
 SERVICES  
 PLANNING

COMMUNICATIONS  
 BUILDING  
 SAFETY  
 EMERGENCY  
 SERVICES

SUPPORT  
 SERVICES  
 WATER POLLU-  
 TION CONT.  
 POST & TELE-  
 COMM.

PARK DESIGN &  
 DEVELOPMENT  
 RECREATION &  
 MAINTENANCE  
 COMMUNITY  
 SCHOOLS

## CHAPTER IV

### PUBLIC UTILITY DISTRICTS

The public utility districts represented a uniquely Alaskan approach to the problem of providing local government services in an area of rapid population growth and limited governmental institutions. In passing the enabling legislation in 1935, the Territorial Legislature expanded on the public utility district model of the western states whose services are primarily limited to water and power functions. That legislation provided for the establishment of public utility districts, with a wide range of governmental services - but no enforcement powers. Of the four PUD's created under this legislation, the Spenard Public Utility District provided the broadest range of services and endured for the longest period, from incorporation in 1949 until becoming a service area of the Greater Anchorage Area Borough when that government was formed on January 1, 1964. The other three were smaller in scope and services and were dissolved by a vote of residents in two cases, and the Local Boundary Commission and the State Legislature in another case. The resident votes came in 1954; the dissolution came in 1960 following statehood and the formation of the Local Boundary Commission. In all three cases, it was the annexation of the areas to the City of Anchorage which led to the dissolution.

The entire Anchorage area witnessed very rapid population growth from World War II on (for example, the City of Anchorage grew from 3,500 in 1940 to 11,254 in 1950, and 44,237 in 1960), and this growth severely strained local governmental resources. Until the formation of the PUD's under the Public Utilities District legislation of 1935, the two levels of government in the area were the Territorial Government and the City of Anchorage.

The legislation authorized the creation of a new level of government to provide services for residents of populated areas adjoining municipalities which cannot extend services to them. There was a heavy influx of residents into the unincorporated areas to the south and east of Anchorage's boundaries due to the expansion of the military and the huge construction projects associated with the military and other defense capabilities. The expansion of city services to these growth areas through the annexation process did not begin to match the needs for services. In 1945, the city annexed 21 blocks on the southern boundary but the next successful annexation did not occur until 1954, although

several attempts had been voted down by sections of the unincorporated area. (As noted in the chapter on annexation, 1954 saw the start of elections which added more than ten square miles to the city in the next five years.) It was between 1945 and 1954 however, that the needs were greatly exacerbated and solutions found through the Public Utility District.

The 1935 enabling act provided "that any town, village, community, or settlement in the Territory of Alaska, outside the limits of any incorporated town, having a population of two hundred (200) or more, may incorporate as a Public Utility District, in the manner hereinafter provided; but no such public utility district shall not embrace more than sixty-four (64) square miles." The formation of the district was to be initiated by a petition of at least sixty citizens of the U. S., over the age of 21, who had resided in the proposed boundaries of the district for at least one year. The petition was to be submitted to the U. S. District Court, and if a majority of the citizens of the district voted in favor of the district, it was to be formed as a Public Utility District Corporation. There was to be an elected board of directors who could appoint an Assessor, who was also the Tax Collector, and other employees. The 1935 legislation gave the following powers to PUD's: sue and be sued in the corporate name; make contracts; purchase, lease, or otherwise acquire real and personal property; exercise eminent domain; construct, maintain and operate dams, reservoirs, power houses, power structures, transmission lines, water works, telephone systems and light plants. The 1963 amendments to the enabling legislation broadened these powers to include water works, sewer systems, hospitals, wharves, docks, warehouses, garbage disposal facilities, park and recreation facilities, traffic and warning signals, street lighting, facilities for preventing and controlling fires, cold storage plants and canneries.

#### Services of the Public Utilities Districts in the Anchorage Area

As previously noted, the Spenard Public Utility District was by far the most extensive of the four districts and the bulk of its services were provided through contracts. For example, the Spenard Board contracted with the Spenard Volunteer Fire Department, a non-profit organization, for fire services; with the Chugach Electric Association for street lights (the Board also granted CEA a twenty-year franchise to provide electrical energy to residences and businesses in the area;) and with the City of Anchorage for water. The other districts, for example, contracted with the military for use of the outfall sewer.

The most universal services between the districts were snow removal and road grading. Other services included water, sewer, fire, dog control, street lights, garbage collection. (It is to be noted that the latter services were not offered by all of the districts. In fact, many of the services were limited because of very meager financial resources. For example, the Mountain View Fire Department operated with a converted cesspool pumper and a Jeep as its total equipment, while the Spenard PUD contributed \$36,000 to their volunteer department.)

### Citizen Attitudes Toward the Public Utility Districts

The attitudes toward the districts reflected the range of pro and con arguments to government generally. The formation of the districts probably reflected a mixed emotion of both impatience in waiting for the City of Anchorage to provide the service and of fear of "big government" as represented by the city. The Public Utility District was for those residents who, if they had to have government, wanted that form with the very weakest powers.

The district was limited to providing services. Although the boards of directors could adopt resolutions and ordinances, they had no enforcement powers, enforcement only being realized by asking the Territorial Police and the federal (territorial) courts. The inability of the police to patrol the vast territory and the lack of district enforcement presented many opportunities for law violators. The unincorporated areas gave the whole area a reputation for bawdy houses and gambling. (One of the major reasons for pushing annexation in some sections was to gain city law enforcement when the "undesirable elements" moved into a section following annexation of their previous locations.)

The attitude of the boards of directors seemed, with some exceptions, to favor very limited services and very low taxes. As will be noted in a following section on finances, the districts had several revenue sources but seemed reluctant to expend large sums. (For example, in 1954 the Eastchester Public Utility District, in a show of services aimed at heading off an annexation drive, budgeted \$5,000 to begin street paving and dust control, \$1,300 for equipment for the volunteer fire department and to employ a part-time engineer, thus laying the groundwork of a possible sewer system. In the same year, board members of that same district favored incorporation as a second-class city rather than being annexed to Anchorage, and said services currently given by the PUD were "adequate and included paving water, fire department and culverts, all without taxation.")

Citizen attitudes toward the districts polarized as the possibilities of annexation to the City of Anchorage became more realistic. A very large segment of the residents within the Mountain View Public Utility District made a determined effort to get out of the district by annexing to Anchorage when the district was pushing water expansion plans. Because of the inability of the districts to utilize special assessments, the residents would bear a share of the cost of the expansion without deriving any benefit from it. (This was later changed when territorial legislation approved special assessments.) The threat of annexation also brought the threat of zoning and building controls which caused many residents to fear and opt to keep the districts. Financial reasons were often a powerful force both for and against the districts. While taxes might be lower in the districts, it was often possible to achieve lower insurance premiums when fire protection was provided by the City of Anchorage. Differing rates for water, telephone, and other services were claimed by both sides of the argument with varying results depending on the levels of service and the types of contracts negotiated by the districts and other factors. After annexation by the city, the voters of the annexed area voted immediately for dissolution of the districts to avoid the possibility of double taxation.

#### District Relationships with the City and Other Organizations

The relationships between the districts and the city worsened in 1952 when the drives for annexation to the city became more intense. That year, residents of the various sections of the unincorporated areas surrounding the city started moves toward annexation to the city. (See section on annexation.) The resistance of the utility districts to annexation efforts varied tremendously, the motives for resistance probably being ascribed to a sincere desire to retain the least powerful form of government. (In several cases, the threat of annexation led district officials to mount campaigns to incorporate their areas as second-class cities.) The districts did allow the citizens to avoid taxes for services which they did not want, and the officials of the district reflected those sentiments. In some cases, the district officials may have been energized to resist annexation efforts at the urging of the Chugach Electric Association, which provided electrical energy to the district and saw annexation as a reduction of its service areas. (The attorney for CEA became attorney for the Eastchester Public Utility District and was a key figure in a very aggressive anti-annexation campaign waged by that district.) Also, the district officials may have

resented the intrusion of the city into their bailiwick. (After all, the city would not extend its services to the unincorporated areas during the early growth periods and so the public utility districts undertook the task. Now the city was trying to take over.)

The resistance was expressed in the form of threats to incorporate as second-class cities; threats to form coalitions, or alliances of the public utility districts to provide a larger pool of governmental resources to count on Anchorage's capabilities; (e.g. Rural Federation of Alaska and also the Central Alaska Rural Telephone Association,) and vigorous anti-annexation campaigns prior to elections through newspaper advertisements and other means. Perhaps the most tenacious resistance was that shown by the Fairview Public Utility District. As described in greater detail in the section on Annexation, the Fairview PUD pursued its fight against dissolution after annexation of its area to the City of Anchorage by the State Local Boundary Commission all the way to the U. S. Supreme Court and lost.

Yet the opposition to annexation was not unanimous among all PUD officials. On April 21, 1954, the Chairman of the Board of Directors of the Eastchester Public Utility District resigned, stating, "It is my opinion that the majority of the Board of Directors, as now constituted, are in favor of organizing either as a second-class or first class city to compete with Anchorage; and I consider such thinking and such attempts to organize competing municipalities as contrary to good government and enormously costly to the taxpayers." The district's attorney resigned at the same time for the same reasons, and the Board promptly appointed a new attorney (the attorney for the Chugach Electric Association, active in the district's anti-annexation campaign.)\* The manager of the Spenard Public Utility District threatened to resign if that District interfered in residents' efforts to annex or incorporate. (Board action to oppose annexation was voted in a two-to-one vote with two members absent. The court later ruled the vote illegal.)

#### Financial Resources of the PUD's

The levels of services of the PUD's were very low, their limited financial sources offering one explanation. (That many of the residents didn't want any more government was an equally compelling reason for low service levels.) The districts' resources included real and personal property taxes, refunds on territorial business licenses, some

\* Anchorage Daily Times 4/22/54, p. 1



regulatory licenses, and the power to issue bonds.

The assessment on real and personal property was not to exceed 1% of the assessed value in one year. As noted in a League of Women Voters' article on districts, "This year only the Mountain View Public Utility District in the Anchorage area has levied a tax, set at 8 mills to meet a budget of \$11,850."\* In the unsuccessful attempt (1952) to annex Eastchester, it was pointed out that Eastchester residents paid only a 10-mill school district tax, while they would be required to pay an 18-mill tax to the city with 10 going to the school district and 8 going to the city.

As authorized in the enabling legislation, the district board appointed an assessor who also served as tax collector. This officer received a percentage of the collections as his fee. The League of Women Voters reported: "It was admitted by PUD officials that the process of collecting taxes was costly in view of the fact that each district acts separately in this respect. For instance, the Mountain View District will pay its assessor 9-1/2% of its collection, around \$11,000 to \$12,000."\*

The districts had bonding capabilities; but, because of the uncertainty of annexations and dissolution, it was difficult to market the bonds. Early legislation restricted bond issues to the amounts which could be recovered from the revenues of the bonded project. Later that was broadened. Also hampering the financial abilities of the district was the lack of special assessment powers. Costs of extending services to residents were spread across all residents of the district regardless of benefits received. (It was this fear of having to pay for extensions of water services which would not benefit them which caused Mountain View residents to petition for annexation to Anchorage.) It was not until 1955, after many of the growing pains had been overcome, that the Territorial Legislature authorized district boards to make local improvements and to assess costs against benefitted properties.

#### Problems of the Public Utility Districts

It is paradoxical that the public utility districts, which had great potential for avoiding duplicated governmental effort as in the case of multi-purpose, multi-jurisdictional districts, had the opposite effect. The 1935 enabling legislation permitted a maximum area of

\*League of Women Voters' Anchorage's Closest Relatives: A Discussion of Public Utility Districts, undated (but probably about 1954).

\*Ibid.

64 square miles, which, if fully used to cover the areas of future growth, might have dictated a different story for local government.

The basic problem was one of scale. The framers of the districts wanted and kept them small. In effect, the competing governmental units were inevitable. The districts were hampered by the seemingly overpowering influences of elements which did not want a full range of local governmental services. Anchorage had a reputation as a "wide-open area," and this was not gained only from outside journalists. As evidence of this, a lengthy quote from U. S. District Court Judge George W. Folta is herewith included. This statement, as reported on page 7 of the Anchorage Daily Times of May 27, 1954, was included in an opinion of Judge Folta in denying the petition for the incorporation of Eastchester as a second-class city, and is included here because the Eastchester PUD played such an active role in the incorporation and anti-annexation drives:

The petitioner City (Anchorage) has long ago outgrown its boundaries to such an extent that the population of the adjacent area exceeds that of the city. Just outside the corporate limits, numerous dives and like places have been operated with virtual impunity because of the lack of law enforcement in areas outside of incorporated towns. These create a major police problem for the city. From the initiation of the first annexation proceeding about a year ago, the City of Anchorage has encountered the most determined and unprecedented opposition. Every impediment and dilatory tactic has been employed by the opponents of annexation, except the homesteaders, to obstruct and harass the city in every move in connection with its efforts to extend its boundaries in the traditional manner to include the adjacent areas. Such opposition does not appear to be in the public interest or in good faith. Much of it stems from the operators of illicit and disreputable places who resist annexation in order to avoid police regulation. Their number is augmented by members of the armed forces who are here only for the period of their enlistment, assignment, or tour of duty and who have no stake in the community or Territory and who, in the meantime, are desirous of avoiding all taxation.

## CHAPTER V

### ANNEXATION

A wide range of structural alternatives and boundary-expanding processes were used in the Anchorage area to broaden the delivery of governmental services and to reduce the proliferation of governmental units. The public utility district represented an early use of the multi-purpose district. Several attempts at unifying or consolidating the city and borough governments were tried. The Greater Anchorage Area Borough was created following State enabling acts to prevent the proliferation of governmental units. The school district was unified from the start. Annexation was used more than forty times between the incorporation of the City of Anchorage in 1921 and unification in 1975. See map at end of chapter.

The motives for annexation were many and varied. The different forces for and against annexation included governmental or quasi-governmental groups, citizen groups, businessmen, and residents. In the following sections, the forces will be identified, their motives and tactics will be discussed, and the historical periods of annexation will be illustrated with descriptive, capsulized case histories of different annexation campaigns. These will be included to depict the turbulent application of the annexation processes in a rapidly evolving environment.

#### Forces For and Against Annexation

The forces engaged in the annexation processes included governmental or quasi-governmental groups, citizen groups, businessmen, and residents.

#### Residents

Two groups of residents, i.e., within the city and outside the city, can be further broken down into those who favored and those who opposed annexation of various sections. Those within the city favored annexation of areas outside the city for reasons including the sense of one community, the rationalizing of government boundaries, and avoiding the proliferation of governmental units. The opponents of annexation who lived within the city sometimes objected to particular sections with a "less than desirable element" being brought in, or they feared that their services might be strained or their taxes increased trying to serve the new areas.

The residents outside the city who favored annexation wanted to be assured of police and fire services, street grading and snow removal services, drainage and flooding problem service, lower fire insurance premiums, and the protection of their property values through zoning and building code regulations. (During the more "wide-open" days outside Anchorage city boundaries, one group petitioned for annexation to prevent the bawdy houses and other undesirable elements from moving into their district from another district just annexed. They cited specific precedents for their fears.)

The residents outside the city who opposed annexation included the rugged Alaskan individualists, the family just getting started, and those who moved out to get away from government. The "homesteaders" and those who came later often had their own wells and on-site sewer systems. If they were in one of the three public utility districts, they feared double taxation. Some were convinced that the city was corrupt. Probably the majority held the more tempered view that the city was dominated by the downtown business interests. In either case, the non-city residents saw annexation as a "power-grab" by the city.

#### Businessmen

Legitimate businessmen seemed to favor annexation because it assured better police and fire protection, it promised reduced fire insurance premiums, and it promoted more efficient government. The less than legitimate businessmen - or those who might have prospered under the lax enforcement practices of the territorial administration - opposed annexation and the level of law enforcement it would bring. (The first night after annexation of one such area found the city police closing bars at 2:00 a.m., and putting one bar out of business when it was found that the owner did not even have a territorial license.) These businessmen also disliked building codes and their enforcement.

#### Developers

Developers were often anxious to annex their properties to the city in return for several types of assistance offered by the city. The city would provide certain engineering services and would save the developer substantial capital costs for water, sewer, storm sewer, and street paving. With a savings in the capital costs and the benefits of the city's favorable bond interest rates, there was a

strong inducement for the developer; however, the city maintained that city residents were offered the same incentives. The city also justified the reduction in capital costs - and the spreading of the balance over the entire city populace - by claiming that the entire population had an interest in protecting health through the elimination of wells and on-site sewer systems. The developer paid 75% of the cost of streets, 77.67% of the costs for water and sewer, and nothing for storm sewers.

As authorized in State statutes, the city told developers that the level of taxes on their developments would match the stage of the development, i.e., raw land would be taxed as such, while other stages of development would be taxed at successively higher rates. At the end of the step annexation period, five years or when the development began, all of the property would be taxed at the fully developed level.

#### Quasi-governmental Forces

The public utility districts and the associations - or cooperatives - were important elements in the annexation processes. Often the PUD's fought the annexations and, in some cases, initiated proceedings to incorporate new cities to prevent the city from taking any of its areas. (In one case, the attorney for a PUD organized the Rural Federation of Alaska saying, "so long as each community is weak and unorganized, it will be the goal of any organized group that can take care of itself," and "in a frontier atmosphere, people who are weak are going to get pushed around.")\* Another speaker at the 1954 organizational meeting of the Rural Federation said, "if Eastchester, Spenard, Mountain View and the rest of the rural area could each buy a grader and work together, a lot of road paving could be done," adding that the combined force of graders plus a single distribution plant to serve all the areas could do much paving of a "pioneer road calibre." Upon formation of the Greater Anchorage Area Borough in 1964, the public utility districts became service areas of the new borough.

Two cooperatives were in operation. The Chugach Electric Association, still functioning and providing electric power to a very large segment of the Anchorage area, was formed under the Rural Electrification Administration in August 20, 1947.

\* Anchorage Daily Times 6/11/54, p. 1

Editorials in the Anchorage Daily Times of March 4, 1954 and March 5, 1954 were headed, "Empire Builders" and "Get Chugach Out of Politics," and included such statements as: "Greater Anchorage has apparently reached the point where vested interests have become big enough and rich enough to fight for perpetuation. One of the important factors behind the clash on the question of annexation is the activity of Chugach Electric Association. The chairman of the board has admitted political activity although the directors never authorized or approved it...He sought to perpetuate the CEA by opposing annexation. Success would mean that revenues from the annexation area would continue to be available for use in extending CEA power lines to more distant areas..." and "It is unreasonable and unsound to have a power agency participating in discussion of the form of government the customers can have." In later years, a Rural Electrification Administration official from Washington said that Chugach bonds would be threatened by expansion of the city's system and the local newspapers roundly criticized him.

#### Territorial Government

Until statehood in 1959, the formation of cities, the extension of boundaries, and the creation of public utility districts were subject to territorial administration. For example, qualifications of voters on annexation questions were established in federal statutes governing the territory; the results of annexation elections were forwarded by the City Council to a District Judge. Public works, police, housing, and many other functions were carried out by employees of the territorial government or territorial funds were made available for their operation. The availability of these funds often played an important part in annexation questions when opposing sides would claim that more or less federal resources would be available depending on the outcome of the election.

#### State Government

The State Constitution contained a strong local government section. Article 29 of the State Code provided for uniquely Alaskan features for local government, features that have had important impacts on annexation.

Article X, Section 12 of the Constitution states: "A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change." Article 29 states: "There is in the Local Affairs Agency a local boundary commission. The

Local Boundary Commission consists of five members appointed by the governor for overlapping five-year terms." These two sections combined to revise drastically the annexation processes in Anchorage. As will be noted in several of the capsule cases which follow, the Local Boundary Commission played an important role in accepting petitions for annexations, conducting public hearings, making determinations on elections, making decisions on annexations and incorporations, and forwarding recommendations to the State Legislature. (As will be noted, a Commission recommendation became effective unless both houses of the Legislature turned it down.) The Commission earned the wrath of the city when it sided with the Greater Anchorage Area Borough and turned down a city annexation of a parcel because it did not have a community of interest with the city and again, in the Muldoon annexation, when it delayed holding hearings and setting dates for elections. (City critics claimed the delays were aimed at placing the annexation elections very close to a forthcoming vote on unification, thereby favoring unification rather than annexation.) As will be noted in the capsule case involving the annexation of the military bases, the State's Attorney General played an important role in delaying the annexation of those vast areas thereby incurring severe criticism by city officials.

#### Greater Anchorage Area Borough

The formation of the borough on January 1, 1964, had a profound impact on the annexation processes and the "politics" of the area. More than one-half of the city's total annexations occurred in the nine years following formation of the GAAB. The total area represented by those twenty annexations is insignificant in area (except for the addition of the military bases through legislative redesignation of boundaries - not annexation) but the dollar value of the development areas was great.

On December 3, 1963, the electorate of the area chose the second-class borough thereby reserving to the voters the approval of certain borough powers. (The GAAB had mandatory powers of education, planning and zoning, and assessment and collection of taxes. Other powers had to be approved by voters.) In the political struggles between the City of Anchorage and the GAAB over annexations, the supporters of the GAAB favored expansion of the area-wide powers and service areas of the borough - and not the city - because there was the measure of voter control of the powers. (This seems to square with what is identified as the "rugged Alaskan frontiersman," who came here to get away from government, but, if government is unavoidable, he believed voters must be in control of the expansion of its powers.)

City supporters saw borough aims as anti-city - an attempt to reduce the city to a service area of the borough - particularly in the GAAB opposition to city annexations, and in the GAAB takeover of the city's sewer system in 1967 and 1968 when it also purchased the system of the Central Alaska Utilities Company. On the other side, GAAB supporters criticized the city's annexation policies as "buying" annexations in its dealings with developers and residents.

There was some conflict between city and borough engendered by the borough's service areas. As noted by two authors well acquainted with the Alaskan local government scene, "the borough service area has been available as a vehicle for meeting service needs of developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence." And, "following the line of least relative resistance, boroughs were established in large part to solve the special district problem. Critical by-products of this action were the blocking of significant annexation activity by the cities within them and, in several cases, the fragmenting of the urban area."\*

Another author stated the conflict in even stronger terms: "The creation of another city outside the city limit prohibits or at least greatly curtails any meaningful annexation to cities and provides cities in a metropolitan borough with only an historical reason for continued existence."\*

City-borough conflicts over annexations continued through the Fall of 1974 when the city proposed, and the borough vigorously opposed, the annexation of the Muldoon service area. As will be noted in a case study which follows, one of the important reasons for voter rejection of the city annexation move was the upcoming vote on the unification of the city and borough, for it was the unification vote in 1975 which finally halted the conflict over annexation policies. The special service areas, many of which are hang-overs from the public utility districts, remain in force throughout the new Municipality.

\*Thomas A. Morehouse and Victor Fischer, ISEGR SEG Report #23 (Interim), (Morehouse and Fischer draft) The State and the Local Government System (College, Alaska: University of Alaska, March 1970).

\* Karl Walter, "A City in Decline," The Metropolitan Experiment A Study of Borough Government, ed. by Ronald C. Cease and Jerome R. Saroff (New York: Frederick A. Praeger, Publishers, 1968), p. 345.



## The City of Anchorage

From incorporation to unification, the City of Anchorage grew in population from 1,856 in 1920 to near 50,000 at the time of unification. As may be noted in the figures below, a great deal of that growth was due to annexation. The transformation from a tent city to a metropolitan center and the problems associated with that change match the growth figures.

During that time, the city government went through a series of policies regarding annexation, ranging from reactive (i.e., accepting the petitions of outsiders for annexation) to proactive (i.e., aggressively pursuing annexation of territories.) The passive attitude toward annexation can be ascribed to the period from incorporation until the 1960's. During that time the city alternated between times of boom and bust. During the boom times, the city was busily engaged in keeping up with growth, but during the "bust" times, as in the period following World War I, there was little incentive for expanding boundaries. This reactive philosophy changed with the "go-go" attitudes of the sixties. During that time the city aggressively sought annexations with long-range plans, "developers packages," aggressive petition-circulating, and inter-governmental and legal battles.

City officials and the Anchorage Daily Times often cited annexation as the means of achieving "greater efficiency in larger operations." The greater efficiency could be reflected in a reduction of permanent personnel per capita and a lower cost per capita for administering day-to-day operations. As an editorial in the Anchorage Daily Times of June 16, 1959 stated: "In the years prior to the major annexation (i.e., Annexation Area #4), the per capita cost of general fund expenditures was figured at \$111 in 1952 and \$86 in 1953. The big annexation was completed in 1954. In 1955 the per capita costs were down to \$79.50. In 1956 costs were \$82 and in 1957 they were \$72."

Four rather distinct time periods may be discerned in the annexation history of the city. These periods are marked by distinct changes in population growth or changes in governmental processes, as, for example, in the creation of the Local Boundary Commission and the Greater Anchorage Area Borough. These periods are discussed in succeeding sections. To place the periods in the perspective of growth, the population data follows:

City of Anchorage

1920	-	1,856
1929	-	2,277
1939	-	3,495
1950	-	11,254
1960	-	44,237
1970	-	48,029

Total	1960 population in 1950 area	In annexed area	1950 population total	Increase 1950 to 1960 in 1950 area
44,237	20,331	23,906	11,254	9,077

What this table shows is that the area within the 1950 boundaries of the city grew in population by 9,077. But the area grew by 23,906 in the areas it annexed during the period from 1950 to 1960.

Total	1970 population in 1960 area	In annexed area	1960 population total	Increase 1960 to 1970 in 1960 area
48,029	47,189	840	44,237	2,952

This table shows that the population increase due to annexation slowed dramatically with an increase of only 840 due to annexation while the population within the 1960 boundaries of the city grew by 2,952.

Time Period - 1920 to 1950

This period saw drastic changes in the city. The initial boom, following incorporation, brought people for the construction and extension of the Alaska Railroad. In the doldrums of the early and middle thirties, there was moderate population growth with the re-opening of the Matanuska Valley to homesteaders. These population increases did not create pressures for expanding the services of the city beyond its boundaries. It was the military boom just preceding, and during, and after World War II which brought the initial pressures for housing and governmental services. In early 1939 the federal government set aside 50,000 acres for an air base, and a large contingent of soldiers arrived in mid-1940 to begin construction. Ten years later, the Army activated another very large installation, Fort Richardson. Atwood reports: "Anchorage went into World War II with a population of 3,500. Railroad was its chief

industry. It came out of the war a city of 12,000 with aviation and government as its chief industries. With fighting at an end, soldiers came to Alaska by the thousands to make their future homes."\*

She had earlier stated: "Housing became a serious problem as military personnel and construction workers brought their families here to live. A city of one and two-room houses sprang up on the outskirts of the city and whole subdivisions developed overnight."\*\*

Shortly after the war came the first successful annexation to the city. Residents in a section which came to be known as the South Addition submitted a petition. As the newspaper reported the story, "In their petition for annexation to the city, residents listed advantages accruing to them as the extension of police and fire protection to the areas now beyond the city limits and the continued accessibility of the city's schools to their children. Advantages to the city of the annexation of the property were listed as additional tax monies."\*\*\*

The annexation added 21 blocks, about one-fifth of the original town area, to the city. A unique feature was that some people could cast three ballots, as "Anchorage electors who own property not only within the present city limits but in one or both of the districts...may vote at the polls in the city as well as those in the petitioning districts where their property lies."\*\*\*\* Another voting twist was the one vote cast by "the government representative appointed to vote for the area including the FHA (Federal Housing Authority) projects of Safe Haven and Anchor View."\*\*\*\*\*

It was the annexation of the South Addition which provided a precedent and impetus for subsequent annexation attempts. In the later attempts, petitioners said they wanted to be a part of the city to obtain police protection against undesirable elements which move from an area when it is annexed and stricter law enforcement is in effect. The undesirable elements left South Addition after annexation and moved to other unincorporated areas adjacent to the city.

\*Atwood, Anchorage: All American City, p. 42.

\*\*Ibid., p. 35

\*\*\*Anchorage Daily Times, Sept. 7, 1945, p. 1

\*\*\*\*Ibid., p. 1

\*\*\*\*\*Ibid., p. 1

### Time Period - 1952 to 1959

This period was marked by turbulent, frenetic activities of threatened incorporations, annexation attempts, dissolution of public utility districts, and charges against utilities of politicking against city annexations. In a report for the Alaska Development Board in December 1953, Ralph Browne studied and reported on many aspects of the city's growth and future prospects. A rather lengthy passage from his report is included here to provide some of the flavor of the times and the setting in which the annexation battles, to be discussed subsequently, took place:

It was thought...that the city had stabilized itself following the onslaught of boom conditions during the early part of World War II. Instead, there began almost immediately a period of rapid expansion which left city planners struggling to cope with emergencies as they arose, leaving almost no time to plan for the future. Moreover, while dollars galore circulated within the city, there was a restrictive, crippling shortage of tax dollars for community improvements.

It is regrettable that many Alaskans honestly believe the sudden influx of workers to the Anchorage area during the past few years has resulted mainly in a squalor of trailer camps, shacks and dives, unsanitary and immoral conditions which inevitably spring up with large construction projects when a community lacks the foresight, or is too occupied with thoughts of quick profit to plan for the future on a long-range basis.

It is true of Anchorage that a large number of persons live in trailers, that there are a number of so-called shacks and dives, but it also is true that such places are outnumbered substantially by fine, modern homes and large, beautiful apartment buildings. \*

The areas outside the city did have these conditions and the governmental responses were less than adequate. Three public utility districts were providing limited services. The limitations were imposed by the enabling legislation, which restricted their functions and their powers. In many cases, this suited the residents because they did not want more government or to pay for additional services. But to other residents, both within and outside the city, these areas needed governmental services and annexation was the answer.

\* Ralph Browne, Anchorage: An Analysis of Its Growth and Future Possibilities (Juneau, Alaska: Alaska Development Board, December 1953) pp. 22-23.

As Browne noted, "The question of annexation of the unincorporated areas to the city has been a subject of considerable discussion and some controversy. Various plans have been made by citizens in some of the adjacent areas for separate incorporation. It is doubtful if the advocates of incorporation are fully aware of the problems, costs, and responsibilities involved in providing even a semblance of normal municipal services...Today's problems are common to all areas. Tomorrow's solutions will depend largely on all areas pulling together."

"The city's side also must be taken into consideration. The city already is beset with innumerable community difficulties. Annexation would add to the load. The city would inherit with annexation all the serious problems that have resulted from the random growth in the suburbs - no water lines; no sewer lines; a hodge-podge of makeshift dirt and gravel roads to name only a few. Yet a number of officials feel that annexation to the city proper would be preferable and better for the community as a whole in the long run. It is such long-range, constructive thinking that holds much promise for Anchorage's future."\*

The availability of federal funds under various acts (Alaska Public Works, Defense Housing & Community Facilities Act) provided another strong incentive for the city to annex the "heavily populated" areas outside the city. In his last session with the City Council, Anchorage City Manager, Robert E. Sharp, said, "I don't think it can be overemphasized, either to the people inside the city or those outside, that now is the time to annex - to give the city a chance to plan for improvements while the money is available. If we wait five, six, or seven years and the (federal) programs are no longer in effect, the problems of financing are going to be much greater. There will be many problems to be faced with annexation, but the problems would be fewer than they otherwise would be four or five years from now."\*\*

The area served by the Mountain View Public Utility District was in a turmoil of activity due in large part to a heavy influx of military personnel and construction workers. In addition to the need for police and fire services (as well as zoning and building codes by those wanting to protect property values against the influx of less desirable housing) there were problems with water and sewer services. Most residences had wells and on-site sewers.

\* Ibid., pp. 40,41

\*\* Anchorage Daily Times, Aug. 14, 1952, p. 1

When the public utility district proposed a bond issue to extend its water and sewer services, many residents objected and were energized to seek annexation to Anchorage to block the public utility district. In part this was a flaw in the district's enabling legislation which did not authorize special assessments so that the cost of the improvements would be borne by everyone in the district, although the services would be extended only to a limited section of the district.

Adding to the turmoil - at least in the opinion of some, including the editorial writers of the Anchorage Daily Times, was the action of the Chugach Electric Association in opposing annexation to the city. As previously noted, the CEA is a cooperative organized under the Rural Electrification Administration in 1947 and, in addition to the city and a private company, providing electrical energy to the Anchorage area.

In an editorial headed "Get Chugach Out of Politics," the Anchorage Daily Times editorial writer said: "Participation in annexation debates placed Chugach in the position of attempting to dictate to its customers what form of government they can have. It was the most serious mistake Chugach has ever made in its otherwise remarkable program of achievement."\*

Annexation talks in the Mountain View area had begun in earnest before 1952, but it was on November 18, 1952, that an important annexation election took place. Residents of Eastchester #2 had obtained the 30% signatures required for their petition, the pre-election campaign was spirited, and proponents pointed to the governmental services that would be gained at minimum cost. (At a public meeting, the Anchorage mayor said that the average property tax increase would amount to about \$38 on a home valued at \$15,000.) Opponents of annexation severely criticized city officials with such accusations as "bad faith," "irritations," and denied that their area was lawless and corrupt. In a newspaper ad, they countered the city's claim that Eastchester residents clamored for annexation by pointing to the fact that it had taken two years to gain the necessary 30% signatures. Although city residents approved the annexation with a vote of 493 for annexation and 108 against, the residents of Eastchester #2 turned it down by a vote of 275 for and 327 against, when a 55% approval was needed outside the city. Thus, the one square mile, with about 5,000 to 6,000 population and an estimated \$19,000,000 in assessed valuation, stayed outside the city. Nineteen months later, however, another election was held and annexation was approved.

\* Anchorage Daily Times, March 5, 1954, p. 8

In 1954, four sections were brought into the city. The first occurred on March 8, 1954, when Annexation Area #4, with about 5 square miles and about 3,500 people were added to the city. There was an immediate countermove in the other three areas with much talk of possible incorporation as well as talk of expanding and improving the powers and management of the Mountain View Public Utility District. Three months after the successful annexation of Annexation Area #4, another election was held and the three nearly adjoining areas to Annexation Area #4 also voted to join the city and city voters also approved. (Newspaper accounts relate the closing of bars at 2 a.m. and the complete closing of one which was operating without a territorial license, as city police began enforcement immediately after the election.)

On January 7, 1958, the city annexed the area known as Russian Jack Springs, now a favorite recreation area. The area had been deeded to the city by the War Assets Administration and, with the annexation of the three areas, the Russian Jack Springs had become "adjacent and contiguous" with city boundaries and was therefore available for annexing under territorial statutes.

Four years later, another sizeable area was annexed to the city after several attempts. On April 2, 1958, Rogers Park with about ten square miles, but only 400 to 500 residents joined the city. (Proponents of annexation cited the South Addition precedent, fearing that the "undesirables" displaced by law enforcement in the annexed areas, would move into their area.)

### Third Period - 1959 to 1964

Following statehood on January 3, 1959, and the adoption of the Constitution with its strong and unique local government section, the State Organization Act established the Local Affairs Agency and the Local Boundary Commission in the Office of the Governor. It is also noteworthy that in October 1959, city voters approved a home rule charter under the provisions of the Constitution. The Local Boundary Commission was to alter substantially the procedures and the dynamics of annexation.

But before the Local Boundary Commission was formally in operation, two highly significant annexation elections took place. The significance is found in that one annexation made substantial inroads into possibly the strongest of the public utilities districts, the Spenard Public Utility District. Another thing of note was that the other annexations in the Fairview section succeeded in

bringing four out of five areas, however small each was, thereby creating an "island" of a larger area of Fairview and setting the stage for the Local Boundary Commission to annex the "island" to the city.

The election of June 16, 1959, was unique in a number of ways. It was the first annexation election in which people without "substantial property interests" could vote. It was carried out under provisions of territorial legislation, not State of Alaska statutes, and did not involve the Local Boundary Commission, which was not functioning yet. Forty-three residents of Spenard and Fairview sought an injunction against the election from the U. S. District Court, contending that the Local Boundary Commission should make the determination. The Court declined. As the Anchorage Daily Times editorialized on June 16, 1959: "So far, the Boundary Commission is still a paper agency, created by the State Legislature, but not yet functioning. Exactly what the Boundary Commission will come up with as rules and regulations for annexation and other local boundary matters is anybody's guess."<sup>\*</sup>

In the June 16, 1959, election, residents of the Spenard area and four of the five small Fairview sections voted to annex to the city and Anchorage voters also approved the annexation. As a result of the election, the city grew to an estimated population of 37,000 and an area of 12.7 square miles.

The Spenard vote added 1,000 acres and about 3,200 people. The vote in Spenard was 648 favoring annexation and 335 opposing. The Fairview vote added 510 residents and about 11 acres with the following vote:

	For	Against
Zone 1	81	29
Zone 2	35	13
Zone 4	37	7
Zone 7	16	0
Zone 9	23	28

In its first actions affecting Anchorage, the new Local Boundary Commission on February 3, 1960, approved the annexation of three unincorporated areas to the city. Two were small areas, i.e. Government Hill and a small parcel with only one house near Cook Inlet.

The recommendation on the annexing of the Fairview "island" was extremely controversial, eventually ending

<sup>\*</sup> Anchorage Daily Times, p. 6



up in the U. S. Supreme Court. The annexation was significant in a number of ways: it was accomplished without a vote of the residents; it created a vigorous debate in the State Legislature on the powers of the Local Boundary Commission; it created a solid base of case law on the powers of the Local Boundary Commission; it resulted in the dissolution of the Fairview Public Utility District and an assumption of the District's functions by the City of Anchorage; and it effectively squared off the boundaries of the city for the more efficient delivery of services.

The annexation without a vote of the residents was the critical question in contesting the annexation which brought an estimated 3,500 residents into the city. In the State Senate debate on the recommendations of the Local Boundary Commission, opponents of annexation stated: "This should be settled in Anchorage - not here...there must be some way this area can solve its problems without 20 people here acting for them." Another senator objected to provisions of the Constitution which had been drafted by "political theorists who counted on objectivity and efficiency in government, perhaps to the detriment of what we believe to be the democratic system." Another said: "There is a certain smattering of metro government in the Constitution...we voted statehood so some hierarchy in Washington could not set our destiny. I think the people in an area have the right to declare their destiny."\* Proponents of annexation cited the reduction in water rates and insurance costs, the extension of city sewers, and new water service for people who depend on wells. One said, "We're not depriving these people of their rights. We live together...we have to consider the rights of all the people." And, in some very colorful descriptions, the speakers said that in remote sections of Alaska, where residents can still live their own way of life, a man can "drape himself in the colors of the country and fire himself out of a cannon for all the effect it has on another person. But when you're living together-block after block of home after home - the interests of the majority must be considered."\*\* It is particularly noteworthy that the House passed its concurrent resolution disapproving the proposed boundary change when the Senate approved. Both houses of the State Legislature having failed to agree, the Local Boundary Commission recommendation held because of its enabling legislation. In its decision (Fairview PUD No. 1 v. City of Anchorage, Alaska, 368 p 2(d) 540) the Alaska Supreme Court upheld the Local Boundary Commission, and this decision was subsequently upheld when the U. S. Supreme Court declined further consideration of the matter on October 7, 1962.

\* Anchorage Daily Times, Mar. 19, 1960, p.1

\*\* Ibid., p. 2

The case represents an important milestone in the city's annexation history and substantial portions of the case are presented. The Court ruled on three questions: 1) whether the Boundary Commission could validly exercise the powers conferred upon it; 2) whether the District was dissolved when annexed to the city; and 3) whether the annexation and dissolution of the district, effected without the consent of the voters within the district, deprived the appellants of any rights protected by the Fourteenth and Fifteenth Amendments to the Federal Constitution.

In its affirmative action to the first question, the Court recounted the rapid growth of the area, which outgrew the boundaries of the city, and the attempts to provide for that growth through annexation. When opposition to annexation created problems and the possible proliferation of governments, the Court cited a lower court decision in a previous Anchorage annexation action (in *Re Annexation to City of Anchorage*, 15 Alaska 504, 509, 129 F. Supp. 551, 554 (D. Alaska 1955), which said, in part, "The Court is not going to lend itself to the imposition of a headed government on the people of a single urban area unless it has no alternative under the law." The Court reviewed the proceedings of the constitutional convention and determined that it was the clear intent to permit the Boundary Commission to create proper boundaries when that would not be possible through local political decisions.

In its affirmative action to the second question, the Court again used the proliferation of governments argument, stating that if the district were not dissolved upon annexation, the chief purpose of annexation would be defeated, i.e., "to do away with two separate governments in a single community, and thus avoid multiplication of facilities and services, duplication of tax burdens, and inevitable jurisdictional conflict and chaos. When annexation was effected, the district was extinguished and its property, powers, and duties were then vested in the city."

In its answer to the third question, the Court stated that there had not been a deprivation of rights under the Fourteenth and Fifteenth Amendments to the Federal Constitution or a deprivation of "liberty, or property, without due process of law." The Court stated: "The determination of what portions of a state shall be within the limits of a city involves an aspect of the broad political power of the state which has always been considered a most usual and ordinary subject of legislation. The state may permit residents of local communities to determine annexation questions at an election. But when that has been done, the

state is not irrevocably committed to that arrangement. If the citizens of the state, in adopting a constitution, decide that it is in the public interest to establish another election procedure, there is no constitutional obstacle to that course of action. Those who reside or own property in the area to be annexed have no vested right to insist that annexation take place only with their consent. The subject of expansion of municipal boundaries is legitimately the concern of the state as a whole and not just that of the local community."\*

Successful annexation attempts stopped after the Fairview episode for the balance of this period. In 1962 an election was held in Nunaka Valley, an area of government housing which had been turned over to private homeowners and, despite the possible help from the city in solving flooding and drainage problems, the local residents rejected annexation.

#### Fourth Period - 1964 to 1975

This period spans the time frame from the creation of the Greater Anchorage Area Borough to unification, and is marked by one-half the total number of annexations by the city, with only a slight increase in total area gained (except for the addition of the military bases), a very vigorous annexation policy to the city, and intense struggles with the borough and the Local Boundary Commission on many of the annexation attempts.

The annexations were on the southern and eastern boundaries of the city and were relatively small in individual actions. (The military bases on the north and the Inlet on the west halted annexations in those directions.) As noted previously in the population table, the population growth by annexation between 1960 and 1970 was only 840.

The city pursued a very proactive policy on annexation during this period. For example, in 1967 the city attempted the annexation of a large area around the state-owned International Airport. The city justified the annexation on the grounds that it owned land there, it operated an honor farm and a park in the area, the city was in the best position to provide governmental services, and, according to the City Manager, it was important for the city "to make every possible attempt to obtain territory for itself, especially in underdeveloped areas."\*\* The land was in six ownerships: Army, FAA, FCC, State Division of Aviation, GAAB, and city. During a public hearing on the matter, many of the private businessmen, mainly associated with airlines and related activities, withdrew their previous support and protested annexation, quoting figures

\* Ibid., pp. 545, 546

\*\* Anchorage City Council minutes of Dec. 12, 1967

showing undue tax increases. The City Council postponed action indefinitely.

In a statement to the City Council on January 14, 1960, the Mayor stated that "apparently the quote that has been made that the City Council is trying a crash annexation program has proven to be erroneous" and noted that "in the past seventeen months, 290 acres of acreage have been annexed to the city, which is considerably more than has been done in previous years and it is a program that, (in his opinion), the Council is anxious to continue."\* Explanations of this city policy may be found in the "go-go" growth philosophy of the era, the wish to increase city population to become eligible for more federal and state funds, and the wish to outnumber GAAB population and thereby control the GAAB Assembly. (Under the Borough Act, the non-city area was to have one more seat on the Borough Assembly than was the city; however, if the city population exceeded that of the non-city area, the city members were given a weighted advantage in votes on area-wide issues. Thus, each annexation of GAAB area added to city population and decreased non-city population.)

The city's vigorous annexation program was evidenced by the employing of a staff assistant in the City Manager's office with major duties in annexation proceedings, the development of a long-range plan for annexation (with encouragement and at times insistence of the Local Boundary Commission), and the willingness to try other tactics, such as the city's abortive efforts to create a Cook Inlet Borough (taking in mainly its own boundaries) after annexation attempts failed.

#### City Annexation Plan and Programs

The City's five-year Capital Improvement Program adopted in 1969 indicated a plan to annex significant portions of the adjoining areas of Spenard (to the south) and Muldoon (to the east) using the Fairview "island" precedent. Narrow strips of undeveloped, privately-owned land were targeted for annexation which, upon completion, would create "islands" of Spenard and Muldoon, which would then be annexed to the city by the Local Boundary Commission. The city's operating budget had modest amounts for advertising, graphics, and survey work to carry out the plan.

#### City Annexation Program

The annexation effort of the city was less vigorous than the plan in that the administrative staff devoted

\* City Council minutes of January 14, 1969.

more time to working with developers on relatively large blocks of land rather than the narrow strips of land as called for in the plan. With the incentives of the subdivision agreement and the step annexation approach, the city staff succeeded in bringing in ten or twelve annexations, small in area but fairly large in dollar value. (In some cases, city staff would assist owners in swapping portions of their property with others so that the property to be annexed could be contiguous to city boundaries - if only by a narrow strip.)

The owners were encouraged to submit petitions to the city signed by 100% of the property owners of the area. The petition would be acted on by the City Council and, if approving, would adopt an ordinance. No election would be required because 100% of the owners had signed the petition. An alternate method provided for petitions signed by a majority of the residents who owned substantial property rights and, after Council adoption of an ordinance, an election was held.

The annexation then went to the Local Boundary Commission, which approved in most cases. In one case turned down by the Commission, the dynamics of city and GAAB approaches can be seen. The GAAB filed an objection to the annexation of a sixty-acre parcel to the city, objecting that, contrary to Local Boundary Commission regulations, the boundaries of the proposed annexation were not reasonable and there was no community of interest between the area and the city. The GAAB also stated that the area was but a small section of a larger area, Spenard, and that the city should annex all of Spenard or none. (The GAAB officials were apparently heading off any city efforts to make an "island" of Spenard and knew that Spenard voters represented the most vocal of the anti-government Alaskan "frontiersman." The Commission turned down the annexation. (Those who make a partisan politics resolution of this case point to the fact that the City Mayor was Republican while the Democrats included the GAAB Mayor, the Governor and the members of the Local Boundary Commission appointed by the Governor for five-year overlapping terms. It is also noted that local positions were non-partisan.)

#### Unification Attempts and Unification

Two attempts to unify the GAAB and the city failed in 1970 and 1971. The City Council instructed the administrative staff to hold off on major annexation proceedings while the unification issues were before the public. In another significant move, the City Council placed a straw

vote on the ballot of a regular city election before the first unification election. By an overwhelming vote, Anchorage voters said that if unification failed, the city should proceed to remove itself from the jurisdiction of the GAAB by whatever means was available.

After failure of the unification attempts and in response to the straw vote, the city obtained the necessary petitions to form a borough which included only the city boundaries. The Local Boundary Commission held hearings on the issue and, with GAAB opposing the formation of the borough, the Commission turned down the proposition, stating that the area was too small and that boroughs were supposed to have natural geographic boundaries and a community of interest.

#### Annexation of the Military Bases

In a major annexation effort which spread over eighteen months, the city administrative staff attempted the most ambitious of all of its annexation efforts. Under Local Boundary Commission procedures, a City Council could initiate the annexation petition so the city administration took the following petitions to the City Council for its consideration:

1. to take in Elmendorf Air Force Base and Fort Richardson an area across Cook Inlet - at least equal to existing city area - for port expansion; all of the Anchorage Watershed (under State laws the city could use police powers to protect the Anchorage Watershed but the administrative staff proposed the annexation to make sure of the protection); and Fire Island.
2. the Muldoon Service Area of the Greater Anchorage Area Borough;
3. the Spenard Service Area of the GAAB.

The City Council held public hearings and the protests were loud and vehement. (The non-residents, and mainly the rugged individualists from Spenard were the most vocal. City displays showed city areas in red, providing opponents with opportunity to observe that "you can tell it is the city - it's red - bunch of commies.") There was, however, a substantial number of annexation advocates. Big land-owners did not object because the city's annexation policies favored them. Merchants welcomed annexation because of the improved police protection possible. The GAAB voiced opposition to the petitions.

Following the hearing, the Council dropped the Spenard petition and forwarded the other two to the Local Boundary

Commission. Before the public hearings by the Commission were held, the City Council requested withdrawal of the Muldoon petition, but the Commission did not withdraw the Muldoon petition and proceeded to hold public hearings on the two petitions. (Spenard residents still turned out, fearing that the Commission might move to annex their area to the city. In fact, the Commission did order the city administrative staff to perform analyses of both Spenard and Sand Lake, farther south and even more undeveloped. The city responded the next day with its previously completed work on Spenard and later submitted an analysis of Sand Lake, concluding that Sand Lake should not be annexed because it was not developed enough to afford urban services.)

The Local Boundary Commission ruled affirmatively on only the annexation of the two military bases. The Commission stated that the balance of the petitions would be ruled on at a later date - including the Spenard and Sand Lake areas. (The Commission never did act on the cases despite City Council requests on several occasions.)

#### Legislative Action

Decisions of the Local Boundary Commission on boundary changes must be submitted to the Legislature within ten days of the next legislative session. The Legislature had sixty days to veto and if no legislative action was taken the Commission decision stood. The Commission submitted the decisions on the annexation of the military bases to the Department of Community and Regional Affairs for transmittal to the Legislature. The CRA asked the Attorney General for an opinion on the Mandatory Borough Act. (The Act said military bases are excluded from boroughs but was silent on cities. Because Anchorage was in the Greater Anchorage Area Borough, the annexation of the bases to the City would place the bases within a borough contrary to the Mandatory Borough Act. The city argued that part of Elmendorf Air Force Base had been in the city since its construction in 1940 and had, therefore, been within the CAAB since its creation in 1964.) The Attorney General's opinion held that bases could not be in boroughs and that the Local Boundary Commission decision was invalid.

Upon issuance of the Attorney General's opinion, two legislators, with some urging from city officials, bypassed the procedures and introduced bills amending the Mandatory Borough Act:

1. to allow military bases with boroughs. (They found that the bases were originally excluded from boroughs to

ensure that boroughs would not bear military school costs. However, state-operated schools received funds from the military so there could be no undue burden on boroughs or no reduction in the federal funds received by the State.)

2. to redesignate the boundaries of the city and the GAAB to include the bases. (This was a redesignation of boundaries, not an annexation. The action also affected Fairbanks and Kodiak. The developed portions of the bases included Fort Richardson about one mile north of Gate L and from there on a line westerly to the Cook Inlet. The GAAB gained all of the area of the bases within the boundaries of the GAAB.)

3. to revise the formula for distributing state-shared revenue with city, receiving reduced per capita share for police, fire, transportation, and park and recreation (ranging from 0 to 50% for transportation, police, and park and recreation.) The GAAB received no shared revenue for its functions.

4. to prohibit the counting of military population for determining borough assembly composition and voting weights. (In all annexations, population was important. Increases in population made jurisdictions eligible for more funds. Also, population determined weighted strengths in voting on area-wide matters before the borough assembly. From 1964 to 1968 the Anchorage population exceeded that of the non-city area of the GAAB so, with the weighted vote, the city members controlled votes on areawide matters. Population shifts after 1968 changed the votes and the city looked to annexation of population pockets to reverse this. Until the emendment by the Legislature, the city looked to the military bases as the means of reversing the population counts.)

#### The Muldoon Annexation

In December 1973 the city hired thirty petition circulators to launch a drive to annex the Muldoon Service Area. (This would square off the huge area on the east acquired by the annexation of Fort Richardson and extend and square off the southern boundary.) The petitions were submitted to the City Council and, after approval, were submitted to the local Boundary Commission. The Commission held public hearings and the GAAB opposed the annexation. The GAAB also took the issue to the courts and lost.



The Local Boundary Commission approved the annexation and set a date for an election. A Muldoon "Citizens For Annexation Committee" was formed with assistance from the city administrative staff. The city engaged an advertising agency and rented office space in Muldoon, although no city employees used the space. The Mayor was active in meeting with the public to explain the city's position. A staff member of the administration met in homes with residents to explain the position.

The major selling point for the city was police protection; however, the city also pointed out that the complete range of city services would mean only about 1 mill increase on the tax rate. (According to the city estimates, the difference was only .8 mills at the time the petitions were circulated. By election time, the GAAB had, according to the city, shifted state-shared revenues to reduce the tax rate in the Spenard and Muldoon Service Areas. By so doing, the difference in tax rate was increased to about 1.9 mills - a total increase of about \$55 on a \$50,000 home.) The GAAB actively opposed the annexation. A "Muldoon Citizens Against Annexation Committee" was formed. Hand-bills were distributed door to door stating that annexation would mean higher taxes and that the annexation was aimed at expanding the city's tax limits.

The vote was 60 to 40 rejecting annexation. In explaining the vote, city supporters cited two factors: 1) election day was very cold and windy, inhibiting the proponents but not the opponents; 2) the next unification movement was in the works and many saw unification, not annexation, as the solution. The total vote was less than those who signed the petitions, which said, "I am in favor of annexation."

## LIST OF ANNEXATIONS TO THE CITY OF ANCHORAGE

<u>Annexation</u>	<u>Date</u>
South of 11th Avenue	9-18-45
Rec. of Annex	12-26-50
Annexation Area #4	3- 8-54
Eastchester Annexation Area #1	6-30-54
Eastchester Annexation Area #2	6-30-54
Mountain View Annexation Area	6-30-54
East Mt. View Annexation Area	10-13-54
Russian Jack Springs Annexation Area	1- 7-58
Rogers Park Annexation Area	4- 2-58
North Spenard Annexation Area	6-30-59
Zone 2	6-30-59
Zone 4	6-30-59
Zone 7	6-30-59
Zone 9	6-30-59
Fairview (2 sections)	3-20-60
#1393 (Govt. Hill, Post Road Area)	3-20-60
64-64	9-22-64
25-67	7-25-67
3-68	3- 1-68
11-68	4-10-68
37-68	11-25-68
14-69	5-28-69
15-69	9- 9-69
33-69	11-26-69
10-69	12-15-69
36-69	12-24-69
40-69	12-24-69
37-69	12-24-69
9-70	2-24-70
27-70	8-26-70
24-71	7-13-71
26-71	7-27-71
26-71	7-27-71
36-71	8-24-71
38-71	9-14-71
12-72	4-25-72
14-72	5-23-72
40-72	10- 3-72
Elmendorf AFB & Ft. Richardson	4- 8-73

11-23-20

#1393  
3-20-60

INCORPORATED

RAILROAD CROSSING

6-30-54

EASTCHESTER  
ANNEXATION AREA  
No. 1 6-30-54

EAST MT. VIEW  
ANNEXATION AREA  
10-13-54

FAIRVIEW REC. OF ANNEX  
3-20-60 12-26-50

Zone 2  
6-30-59

FAIRVIEW Zone 7  
3-20-60 6-30-59

EASTCHESTER  
ANNEXATION  
No. 2 6-30-54

9-18-45

Zone 2  
6-30-59

Zone 4  
6-30-59

ROGERS PARK  
ANNEXATION AREA

#1279  
4-2-58

NORTH SPENARD ANNEXATION AREA  
#1344 8 1353  
6-30-59

ANNEXATION AREA  
NUMBER 4  
3-8-54

RUSSIAN JACK  
SPRINGS  
ANNEXATION  
AREA

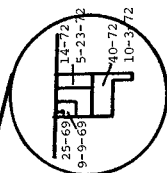
1284  
1-7-58

38-71  
9-14-71

40-69  
12-24-69  
36-69  
12-24-69  
10-69  
12-24-69

28829-69  
9-11-68  
37-68  
11-26-69  
32-69  
36-69  
12-23-69  
64-64  
9-22-64  
3-68  
7-26-70  
11-25-68  
21-70  
38-59  
12-24-69  
36-71  
8-24-71  
11-68  
4-10-68  
33-69  
11-26-69

24-71  
7-13-71



26-71  
7-27-71

25-67  
7-25-67

## CHAPTER VI

### UNIFICATION

The impetus for unification probably started with the framers of the State Constitution in 1956 in providing for cities and boroughs. The next forces came with the passage of the Borough Incorporation Act in 1962 and the Mandatory Borough Incorporation Act in 1963. (A move in 1963 to incorporate a huge area as the Captain Cook Borough with a land mass covering the present Kenai Peninsula Borough, the Greater Anchorage Area Borough and the Matanuska-Susitna Borough was rejected by voters.) Under compulsion of the Mandatory Borough Act, the voters of the Anchorage area approved second-class borough status for the Greater Anchorage Area Borough in October 1964. It was barely two years later that pressures and agitation began for unification of the City of Anchorage and the Greater Anchorage Area Borough (GAAB.)

#### Initial Steps

Several matters relating to unification were discussed at the January 31, 1966, meeting of the Borough Assembly. For one, the Chairman stated that the city and the borough administration were currently working to consolidate the purchasing departments of the two governments. In another matter, the Assembly considered and passed on to the State Legislature a City Council memorandum asking the Legislature for the following: "Under first-class or home-rule borough authority, the referendum provision for dissolution of any first-class or home-rule city within the confines of such borough, and the incorporation of same as a service district with similar powers and prerogatives now inherent in the Borough Act." In the resolution transmitting the request, the Assembly called for the subsequent appointment of a Citizens' Committee to study its merits and submit findings and recommendations to the Assembly and City Council. In commenting on the resolution, one Assemblyman said, "...the time to look at the one government concept is now before the borough becomes too large." Another said, "People in my area see such a metro-plan in the future, but they can't see it quite yet - as they haven't seen the impact of the health function or the planning and zoning function in their area yet."

In 1969 the city and borough appointed a City-Borough Study Committee composed of members from within the city and from outside the city. In the initial hearing by the Borough Assembly on the Committee's recommendation of proposed legislation, there was a great deal of public opposition expressed. The Assembly did not approve the recommendation that night, but one week later passed Resolution 160, requesting permissive legislation. The Committee concluded: 1) There are duplications of effort and confused authority which can only increase as the area grows; 2) Better or more services can be offered on an areawide basis and on a service area basis by a single unit of government; 3) The capital improvement needs of the area can best be met by a single agency responsible for coordination of planning and financing; and 4) The economy of the entire area as well as political, social, and cultural life is an entity which transcends subordinate boundary lines.

#### Operation Breakthrough

The next push for unification came in the following years when Operation Breakthrough submitted its final report. From mid-1968 through April 1970, when it completed its work, this organization of 600 citizens developed recommendations on actions for the period 1969 to 1989. The recommendations included governmental structure as well as action regarding air pollution, alcoholism, education, law enforcement, tourism, and many other topics. The recommendation on government structure was for unification of local government.

#### Other Unification Pressures

Meanwhile, petitions were being circulated to place the questions of unification on the ballot. The questions were, according to State laws, to be an affirmative vote on unification and to elect an 11-member Charter Commission. Subsequently, the Charter was to be presented to the voters for approval. If the Charter were turned down, the Charter Commission had an additional year to re-submit the Charter with such revisions as were deemed essential.

In March 1969 the Borough Assembly heard, "The cause for unification is gaining momentum. The Operation Breakthrough Committee studying local government structure concurs with the Citizens' Council for

Community Improvement and now the League of Women Voters is studying the proposal."\* (The CCCI was a City Commission which functioned quite independently although members were appointed by the city.) Despite this report, the Assembly voted not to support unification, which, according to the requestors, would have assisted those circulating the petitions. The Assembly did commend CCCI and encouraged them in their efforts to have unification placed on the ballot in October 1969.

In the same month, March 1969, city voters overwhelmingly approved a ballot issue which asked if the city should take steps to exclude itself from the GAAB and form its own borough if unification failed to pass on the October 1969 ballot. The city voters approved the measure with 2,171 in favor and 748 opposed. (The threat was never carried out because the Local Boundary Commission would not approve the concept.)

#### First Vote on Unification

The first vote on unification provided some hope for those who had worked diligently for the one-government concept. In October 1969 the voters approved the concept of unification and elected the eleven-member charter commission. The vote was:

within the city -	for 3,342
	against 1,241
outside the city -	for 3,475
	against 3,074

#### Vote on the First Charter

The Charter Commission was assisted in its Charter preparation by Public Administration Service, the non-profit firm which had assisted the framers of the State Constitution. The Charter Commission completed its work in August 1970 and the Charter was presented to the voters in October of that same year. The city voters approved the Charter but those outside the city turned it down and the first unification attempt failed. The vote was:

within the city -	for 3,033
	against 2,617
outside the city -	for 3,491
	against 6,167

#### Writing the Second Charter and the Second Vote

State law governing unification provided that the Charter Commission could re-write the Charter and submit

\* Anchorage Daily Times, March 24, 1969, p. 1

it again to the voters. Accordingly, the Charter Commission went back to work with some change in membership. Work on the re-draft was completed in July 1971 and placed on the ballot for September voting. The result was another defeat for unification backers as the city again approved the Charter but the voters outside the city again turned it down. The vote was:

within the city - for	3,129
against	2,896
outside the city - for	3,846
against	6,927

It was estimated that the borough had expended \$75,00 to \$80,000 in the two unsuccessful charter campaigns for election and related costs. (An example of rural Alaska's political rhetoric was displayed in a large billboard which denounced provisions of the Charter unpopular to the rural element. The sign read - IT AIN'T WRIT RITE!)

#### Reasons for the Defeat of the First Two Charters

Major reasons for the defeat of the first two charters have been identified as the overwhelming outside city vote from those in rural areas who disliked government and did not want to pay taxes for services. Also, the local governments would not be able to extend all services to the rural areas and the rural residents feared they would be taxed for services they did not receive.

The first charter was actively opposed by School Board members because the charter specified single seats instead of the "at-large" seats preferred by the board members.

The Charter may be found in the Appendix.

#### New Unification Attempts

Following the defeat of the second charter, there was a temporary lull in the push for unification. On March 16, 1972, however, Mayor George Sullivan and Borough Chairman, John Asplund, presented a new approach to unification to the Borough Assembly at a public hearing. This approach worked out with members of the Chamber of Commerce, would have permitted Service Area 23 (essentially the Anchorage Bowl and excluding the rural areas of Eagle River and Chugiak which had soundly voted against the two charters) to unify and let the rest of the borough choose its own destiny. The strategy in this approach was to eliminate the negative vote on the Charter which had come from the rural voters. The Assembly voted down the recommended approach.

In November 1973, three City Council members on the Borough Assembly attempted to have a resolution passed calling for another charter commission. Assemblyman Dave Rose, who was later to serve as the first Assembly Chairman under the unified government, in co-sponsoring the resolution said, "The bickering and squabbling must come to an end. Not only is it costly in terms of resources used by both governments involved in the in-fighting, but it is costly in terms of the people's loss of confidence in their governments and in our loss of credibility as effective elected representatives. The current situation makes for wandering aimlessly from issue to issue continually voicing narrow and parochial views rather than taking a broad view toward solving common problems."\* Despite Rose's strong statement, the Assembly rejected the proposal because, it was alleged, the City Council representatives had not been "statesmanlike" in initiating the resolution.

#### City-Borough Conflicts

The bickering between the city and borough members on the Assembly was the most regular and most vocal manifestation of the City-Borough conflicts, although there were not always cordial relationships between the administrative staffs, as the annexation story reveals.

The area-wide sewer function represented one of the most difficult problem areas. On October 4, 1966, voters overwhelmingly approved the second-class borough assumption of area-wide sewer powers. There were prolonged and often bitter conflicts between the city and borough in the transition of the city's operations. The transition involved the ownership of the system, the transfer of assets, and the assumption by the borough of the city's sewer indebtedness for past improvements.

The citizens also learned of the problems between the two governments in news stories. For example, in January 1970, there was a major fire at a motel in the borough area. The Borough Fire Department called in the Anchorage Fire Department and the fire was extinguished after the loss of five lives and \$1.3 million in damages. There were charges of failing to respond, "lack of cooperation, faulty hydrants, and poor fire-fighting techniques." There was an investigation by the State Legislature and, according to the Anchorage Daily Times, some veiled hints of "forced unification."

\* Anchorage Daily Times, Nov. 13, 1973



The meetings of the City Council and the Borough Assembly were thoroughly covered by the press, which chronicled the week-to-week bickering. A news story in the June 12, 1974, edition of the Anchorage Daily Times illustrated the continuing press reporting from which the citizens formed their pro-unification values: "Charges of moral corruption, gross misrepresentation, and discrimination were laid against the GAAB last night by the City Council. In the continuing battle between the two governments, another round opened last night when the City Council voted to sue the borough over its use of federal revenue-sharing funds and further voted to ask Governor William Egan to enjoin the borough's use of state oil-impact money. Of the \$1.3 million the borough received in federal funds, only \$200,000 was allocated to any area-wide purpose, mass transportation. The rest of the money was directed by the Assembly on a six to five vote for service area expenses."\* Nine days later, an editorial in the Times said, "The Assembly should take steps to finally resolve the ugly conflicts which now exist between the two local governments and order unification placed on the ballot. The time is ripe to move ahead." (Page 8.) (Note: This newsstory and editorial followed several public hearings which the Assembly held on the question of unification but had failed to take any action upon.)

#### Area-wide Police and the Muldoon Annexation Attempt

As the pressure to settle the squabbling mounted, two non-unification attempts to achieve some of the economies of scale were tried and failed to gain voter approval. The GAAB went on the ballot for approval of area-wide police and on March 12, 1974, was soundly defeated. It was reported that the City Council and the Borough Assembly appropriated \$7,500 and \$10,000 respectively, to defeat or win the move. (A City Council member of the Assembly complained that while meeting with the City Council he was asked to vote for funds to defeat the issue and then, when meeting with the Assembly, was asked to vote for funds to win approval for the issue.)

The city's vitriolic campaign against the GAAB is evidenced in the city's pamphlet which was distributed during the campaign. The pamphlet pointed out that the two mill figure estimated by GAAB for the area-wide police was "nearly double what the city now pays and is .27 mills higher than Spenard's contracted city police services. Yet, twice before, when the borough was offered

\* Anchorage Daily Times, June 12, 1974, p. 1

the opportunity to have not only area-wide police protection but all the services of a first-class city, they turned it down. Now they want to scatter our city police force the length and breadth of the borough, but they're not prepared to pay the price. We've seen how the borough administered the sewers. What they said could be available on an area-wide basis for merely a service charge of \$3 and no mill levy, now has been proposed at \$13.85 and a .6 mill levy. They 'under-estimated'. It simply doesn't make sense to let the borough run the police like they run the sewers." It is not certain whether the city's campaign created the citizens' opinion or whether there were other contributing factors; however, it was there, as evidenced by remarks at a later public hearing: "We didn't say we didn't want police protection. What we said is we don't want police protection handled by the borough." Applause greeted the statement.\*

In November 1974 the city attempted the annexation of a very large section of the non-city area of the borough, known as the Muldoon area. The voter rejection of the annexation move, which had been dubbed "back-door unification," was attributed to a light voter turnout and the increased talk of another unification attempt.

#### The Early Stages of the Successful Unification Effort

In May 1974, a public opinion survey, conducted for the Anchorage Chamber of Commerce by Dittman and Associates, showed that 67% of the borough residents and 59% of the city residents agreed that unifying the city and the borough would create more efficient and responsive local government. (The survey showed that 70% of the residents in the rural area were still opposed; however, 67% in Eagle River wanted a separate borough for their area.) Dittman indicated that the new borough residents favored one government, i.e., 65% of the residents who moved to Anchorage since the 1970 election favored one government. He also pointed out that the borough population had grown 30% in that period. (As will be noted in a later section, there may be reason to doubt that conclusion in view of the fact that the new residents were not registered and did not vote.) In rating the performance of the two governments, Dittman found that 33% of the borough residents rated city government as good or very good while only 9% gave the same rating to the borough government. He also reported that 51% rated the borough government as poor or very poor while only 19% said the same for the city.

\* Anchorage Daily Times, April 30, 1974, p. 1

In the Fall of 1974 a group of influential citizens organized the Citizens' Committee for Unification. This group discussed the need for unification and has been credited with being a strong force in gaining GAAB Assembly approval for another unification attempt.

### The Rural Areas

The possibility of removing the anti-unification votes of the rural area became a distinct reality as the residents of the Eagle River and Chugiak area launched an intensive lobbying campaign before the State Legislature for special legislation permitting that area to withdraw from GAAB and incorporate as a borough. The legislation was passed without the signature of the governor and, after public hearings by the Local Boundary Commission, an election was held. On August 27, 1974, the voters of the area approved incorporation by a vote of 1,233 to 979. Following required setting of boundaries by the Local Boundary Commission and the promulgation of a plan of apportionment, the Lieutenant Governor conducted an election for municipal officers on December 3, 1974. In the meantime, dissidents in the area sued in Superior Court to invalidate the incorporation and the court allowed the election to continue on a temporary restraining order. On December 20, 1974, the Superior Court entered a declaratory judgment against the wishes of the dissidents.

Thus, the Eagle River-Chugiak voters were not residents of the GAAB in February 1975 when GAAB voters approved the concept of unification and elected members to the Charter Commission. In April 1975, the Alaska Supreme Court overturned the lower court decision declaring that the enabling legislation was in conflict with the constitution, which states that "The Legislature shall pass no local or special act if a general act can be made applicable" (Alaska Constitution, Art. II, Sec.19.) This decision, in effect, disincorporated the new borough and the residents were thus eligible to vote on the adoption of the Charter in September 1975.

After the Supreme Court ruled that Eagle River was, in effect, still a part of the borough, the Charter Commission held a public hearing in Eagle River, as it was doing in other sections, to ascertain what residents wanted in a new government that should be reflected in the Charter being written. At the meeting, Charter Commission members were handed legal papers which declared that the Charter Commission was not a legally constituted body because Eagle River residents had not voted in the Charter Commission election. In the ensuing case, the judge ruled in favor of the Charter Commission members.

Reapportionment of GAAB Assembly

Another development in 1974 which pro-unification forces saw as a hopeful sign was the reapportionment of the Borough Assembly. As the chronology in the appendix indicates, the reapportionment battles were long, involved, and bitter contests between city and GAAB forces. The basic issue was the City Council representation on the Assembly and the power this gave to the city over non-city and area-wide matters. The City Council members were appointed by the City Council and, according to GAAB accounts, they voted as a bloc representing the "downtown" interests to the extent that the practice was dubbed "Institutional representation."

A court case in Fairbanks in 1973 held that city membership on a borough assembly must be stopped. A GAAB attorney saw the case and, believing that the legal precedent was there for the GAAB to remove city membership, mentioned the case to the Borough Mayor and steps toward reapportionment were initiated.

The settling of the reapportionment question revolved around these vexing questions: maintaining city boundaries as an election district(s) even if that meant distortion of other boundaries; trying to tie election districts to community boundaries, e.g., Muldoon, Spenard, etc.; providing representation to the military bases which had records of high levels of voter apathy and many who were registered in other states (in the election for full-time mayor only 11 people voted out of a total population of over 20,000); and considering single member versus multi-member Assembly districts. The Assembly received staff presentations of maps showing many alternative solutions. In a law suit, the city challenged the GAAB proposal for reapportionment and the GAAB was upheld.

In 1974 a reapportionment map was finally accepted and adopted. This ended City Council representation on the Assembly and much of the city-Assembly bickering. The proposal also established multi-member Assembly districts although the compromise geographical distribution yielded some awkward lines and shapes. An important fact was that the reapportionment was based on the inclusion of Eagle River-Chugiak so that shortly thereafter, when the short-lived borough was formed in that area, the reapportionment was out of kilter.

By the time the Charter Commission began its work, the Assembly staff was preparing reapportionment maps

showing Eagle River-Chugiak both in and out of the total plan. The various maps were intended to find the best compromise between the issues noted above, i.e., city election districts coinciding with city boundaries, representation for military bases, single and multi-member Assembly districts.

The Charter Commission reviewed the various maps and selected one for inclusion in the Charter. The map selected placed great emphasis on straight lines for districts, which were more readily understood than those which were necessary to preserve "city" election districts. The map also mandated multi-member Assembly districts. In deciding on these issues, the Charter Commission made the difficult choices rather than referring such questions as single versus multi-member districts to the voters. The Commission was able to take a more objective view of the alternatives because it was primarily interested in finding the solution which would help "sell" the Charter and also because it had no vested interests in maintaining any features of the status quo.

#### The Important Assembly Vote

On November 7, 1974 by a vote of seven to four, the GAAB Assembly voted to put unification and Charter Commission propositions on the February 1975 election ballot. (It was significant that the resolution was introduced by Wilda Hudson, who would soon be leaving the Assembly after many years of service with the City Council and the Assembly. She had long advocated unification and had been largely instrumental in initiating the push for State legislation which enabled the Assembly to place the unification and Charter Commission questions on the ballot as an alternative to the petition route.)

The ballot was to include the following Charter Commission seats: four members from outside of cities within the borough; four members from inside of cities within the borough; and three members areawide. The ballot proposition on unification read: "Shall a Charter Commission be formed (and Charter Commission members be elected as elsewhere provided on this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed Charter uniting the Greater Anchorage Area Borough and all cities within it as a single unit of home-rule government, having the powers, duties and functions of a unified government as authorized by law? To be voted upon areawide." The ballot was also to include a Public Opinion Poll to guide the Charter Commission members in their deliberations. The poll reads in part:

The following questions are a poll to assist the Charter Commission which is charged with writing a Charter for unification of the Greater Anchorage Area Borough and all cities within it. Please vote for one option in each of the following four categories:

1. Which type of executive system do you prefer for the new government?
  - a. Elected Executive. (Elected full-time mayor with veto power over the legislative body. He is the chief executive and administrator.)
  - b. Appointed Manager with Full-Time Mayor (Appointed manager serves as chief administrative officer. Mayor serves as member of the legislative body, but has no veto power.)
  - c. Appointed Manager with Part-Time Mayor (Same as (b) above but Mayor serves part-time.)
2. Which type of apportionment do you prefer for the legislative body of the new government?
  - a. All members elected at large (by all voters area-wide)
  - b. Single-member districts. (Each district would elect one member.)
  - c. Multi-member districts. (Several districts with each district electing several members.)
  - d. By district but voted upon at large. (Members run from specific districts but are all voted upon by all voters area-wide.)
3. Should the legislative body of the unified government be called:
  - a. Assembly ?
  - b. Council ?
4. Should the Charter provide for an ombudsman?  
 YES \_\_\_\_\_ NO \_\_\_\_\_
5. Should the new government be called "City and Borough of Anchorage"? YES \_\_\_\_\_ NO \_\_\_\_\_

To be voted upon areawide.

The election was also to be the first election of Assembly members under the new district-wide reapportionment.

#### The Candidate and the Campaign

The filing for the Charter Commission seats was initially disappointing both as to quantity and quality of candidates. Filings picked up closer to the filing deadline and there were 13 candidates for the three area-wide seats, and eleven candidates for each of the four seats within and outside the cities within the borough.

The campaign was very low key with the only activity occurring in the last month before election. There were no strong, organized group efforts on behalf of the unification question. The successful outcome was due primarily to the efforts of the Charter Commission candidates through their individual campaigning. One of the candidates has said that in going door-to-door and to the "coffees," the problems raised by citizens were more on taxes, dogs, and the usual issues rather than unification, the Charter Commission, or the questions raised in the public opinion poll.

#### The Election

There was a low turnout for the election caused perhaps by the fact that there had been a series of elections (Spring, October and then February), it was an off-year election, and there was a long, complicated ballot. The vote was:

Within the city	YES 2,000	NO 800
Outside the city	YES 2,600	NO 300

(It can be noted that the 1969 vote to initiate the process saw an Outside the City vote of 3,475 votes for and 3,074 against starting the unification process. The difference may be accounted for by the light turnout in the February 1975 election and the fact that the Eagle River-Chugiak voters had been excluded because of their new borough status.)

#### The Charter Commission Organizes

The Commission went right to work and organization was the first order of business with the immediate election of a chairman and a vice-chairman. (It was decided that there would be no other officers and that there would not be an Acting Chairman, providing, in effect, a trial period for the person who would become permanent chairman.)

The next step was the formation of the following special committees:

1. Rules of procedure - to develop the rules to be followed by the Commission
2. Attorney - to make necessary arrangements for the selection of the paid, full-time attorney
3. Personnel Committee- to develop job descriptions and recruit candidates for the full-time position of Executive Secretary and part-time Recording Secretary
4. Budget Committee
5. Office and Meeting Places Committee

The Charter Commission also developed the following Standing Committees:

1. Management Committee - prepared the program of work
2. Charter Production Committee
3. Public Opinion Research
4. Public Information
5. Transition Details

#### Work Schedule and Meeting Places

By March 1, 1975, the Management Committee had prepared a 1975 Program of Work which called for the completion of a skeletal draft by March 29; a first draft by April 26; a second draft by May 31; and printing of the final Charter by June 19. (The Charter Commission "signed off" on the Charter on July 21, 1975.) The detailed program indicated the actions and target dates for each of the Standing Committees as well as the public hearings.

The work schedule placed heavy demands on Commission members in attending the weekly meetings of the entire Commission in addition to the initiating work of the Special Committees and then the ongoing work of the Standing Committees. Nearly 60 meetings were held in a four-month period. The Commission Chairman, Frank Reed, established and maintained a very open style, encouraging members to participate in the activities of all committees. This greatly expanded the interaction and contributions of Commission members but also added greatly to their work load. There was a high degree of involvement by most Commission members as can be attested by the tremendous volume of work accomplished in the very considerable number of meetings. (As is typical of all bodies, there were some members who exceeded the call of duty and, at the other extreme, a few who did the bare minimum.) The Commission included five women and six men, aged 20 to 65,



listing occupations as attorney, banker, businessman, financial consultant, housewife, planner, psychologist, real estate dealer, student, and teacher.

The initial meetings were held on the campus of Alaska Methodist University as "neutral turf" to dispel any appearance of favoring city or non-city elements. Office space was rented and, although it was on the edge of the downtown district, it was favored because of size, convenience, and the amount of rent. Toward the end, most Commission meetings were held in the office.

### Obtaining Information

The Commission used a number of information sources. These included State Constitution and Statutes, the previous charters and charters from consolidated city-county governments, public hearings, meetings with other groups and public opinion polls.

The two previous charters were extremely helpful and, it has been estimated, the Commission would have required twelve, rather than five months to complete its work without those two documents. Although each of the charter sections was carefully studied by the Charter Production Committee and extensively discussed by the entire Commission, many of the earlier charter sections were used almost verbatim.

Very early in their deliberations, Commission members decided to meet with outside groups and individuals. Throughout the five months meetings were held with the School Board, the GAAB Assembly, City Council, the Mayors and Managers of the two governmental units, financial experts, bond counsel, union representatives, and others. The Commission also met with two representatives of the City and Borough of Juneau to learn first-hand of that jurisdiction's experience with drafting the charter, the transition period and post-unification results.

In March the Commission held six public hearings to learn of resident wishes for a new charter. These hearings were held in late May and June after the first draft of the Charter received mass distribution.

The Public Opinion Research Committee recommended and the entire Commission endorsed the employment of the Rowan Group, Inc., to conduct the public opinion polling. There was a substantial budget for this effort and two polls were conducted. The first was done in March and the second in June.

In the March survey, one month after the unification vote, the pollsters asked whether respondents voted for or against unification, whether they thought unification opponents had good reasons for their opinions, what changes could be expected to come from unification, and attitudes on the executive and legislative branches.

The tabulation of results on changes resulting from unification showed:

With unification, do you see any changes coming in?

	Yes	No	D.K.
Number of local government employees	72 %	20 %	8 %
Taxation	54	29	17
Zoning	41	34	24
Government services	36	48	16
Your voice in local government	27	58	15
Educational system	15	67	18

The attitudes on executive and legislative branches were reported as follows:

...over half the 18.8% choosing a very strong Mayor also select single-member legislative districts as a first choice. These people appear to have in mind the 'checks and balances' idea of a strong mayor and a responsive, neighborhood-based legislative representative.

All this yields some correlation between the choice of executive and legislative systems, but certainly not enough to create a consensus on the issue. The only overriding consensus is for a government which is responsive and close, and this seems to be reflected in the choice for single-member districts, and the 55.8% who would like to have power tipped (40.9% to 14.6%) toward the legislative side. It is not clear at all how this consensus affects the choice of an executive system at this point. There are only slight inclinations and correlations, and nothing to base an hypothesis upon. \*

The June survey focused on issues and in summarizing th Rowan report said the issues were taxation and the matter of fairness, growth, and the matter of duplication in government, and control and responsiveness in government. In what was termed a "shorthand table" the report showed the support and opposition for each issue:

\* Rowan Group, Inc. Report, unpublished, 1975

<u>Issue</u>	<u>Support</u>		<u>Oppose</u>	
	<u>Strong</u>	<u>Moder.</u>	<u>Moder.</u>	<u>Strong</u>
Name is Anchorage	24 %	59 %	9 %	2 %
Assembly plan	8	75	9	2
Executive plan	14	63	16	3
School Board setup	15	66	11	2
Community Councils	15	63	11	2
Ombudsman	26	54	11	2
Service area creation	27	67	3	0
Sales tax levies	62	37	0	0
Candidate disclosures	25	44	26	3

The survey found that the public was not informed of the Charter despite the Charter insert in the newspaper and the public hearings. The survey reported that only 36% said they had enough information now to cast a vote on the Charter one way or the other (Rowan Group Report to the Charter Commission, June 1975.) The report warned, "...we do not believe that it is possible to pass this Charter in September if the Commission does not take an active role in increasing the information level of the public about what the Commission has done and why."\*

#### Charter Production Committee

The Charter Production Standing Committee was charged with the formidable task of developing the drafts within the Work Program timetable while ensuring that all issues were presented and discussed. In view of the time constraints, there was early agreement to delay the controversial issues and to follow an established procedure. The procedure called for the Charter Production Committee to go section by section through the two previous charters, redrafting as was deemed appropriate, and submitting their draft to the entire Commission. Following debate of the issues on each section, a vote was to be taken, and if approved, was to be ready for the draft.

Before writing the first draft, the Commission held a series of public hearings within and outside the city as required by State law. The Commission used the media to announce the public hearings. Following the first hearings, the first draft was written and printed in tabloid form and circulated through the newspapers.

#### The Issues - Major and Minor

The Charter Commission was faced with a host of decisions, including the major issues, the strategy of presenting or "selling" the Charter, the question of approach

\* Ibid.

and timing on the lawsuits surrounding the Eagle River question, and others. The major issues included the legislative and executive provisions, public finance, schools, openness of government, long-range planning and others. The issues were derived from mandates by the State, the public opinion polls and public hearings, the meetings with other groups and individuals, the previous charters, and the philosophies of individual Charter Commission members.

### Selecting a Model for the Charter

In addition to a wealth of materials on local government, the Charter Commission had the two earlier charters as models. After consideration of the two charters the commission decided to follow the second one because of its more straightforward language and because its provisions more closely followed the issues and ideals which commission members had stood for while campaigning for their offices.

### Executive

The two earlier charters had provided for a strong executive. The polls showed that the public favored a strong executive with the constraining influence of a strong legislative branch and citizen controls. Much of the discussion of the mayor and manager alternatives crossed over to another major issue, that of the accountability and the openness of local government. Commission members used the findings of the opinion polls and, in several cases, the "platforms" they espoused in seeking election to a Commission seat, stressed the need to balance a strong executive with effective accountability mechanisms.

Those in favor of a strong mayor made the following points: it provided greater access to the public; it created opportunity for strong leadership; it provided creation of healthy conflict between executive and legislative branches; and, it followed the GAAB plan, which they favored.

Those opposed to the strong mayor pointed out their fear of excessive power in the hands of one person, dislike of bickering between executive and legislative branches, preference for the semblance of efficiency attached to the council-city manager form; and preference for the city model, which was the council manager form.

The strong mayor form was included in the first draft of the Charter. When the second draft came up for consideration, the vote on the strong mayor form was 5 to 5 so that the first draft provisions stood.

### Public Finance

The work of the Commission was contemporary with the reams of publicity on the fiscal plight of New York City. This, combined with an obvious citizen interest in controlling the growth of government, led the Commission members to write a strong public finance section. This was reflected in specifying a Chief Fiscal Officer position and in requirements for a six-year program for public services, fiscal policies and capital improvements. Voter approval was made mandatory for imposition of a sales tax.

### The Assembly

Assembly matters were discussed in the context of a reapportionment battle which was going on concurrently with the work of the Commission. The Commission members selected one of the reapportionment alternatives within the 11-member Assembly and provisions for either single or multi-member districts, specifying two-year terms for the single-member district plan and three-year terms for the multi-member district plan. Unlike previous charters, the Commission included provisions for an ombudsman reporting directly to the Assembly as a means of enhancing the power of the Assembly and of ensuring the accountability and responsiveness of the government.

### Schools

Many of the provisions for the School Board were mandated by State legislation. While there were some members favoring district election for the seven-member Board, it was noted that the School Board wished to retain the existing plan for areawide elections. The Charter provided for areawide elections to assure that the School Board members would not oppose openly the Charter.

### Service Areas

Several Commission members had campaigned on their strong interest in retaining the service areas and, at least for one member, in approving greater flexibility in the providing of services in these areas. The Commission included service areas but with a uniform tax levy within an area rather than the extreme flexibility favored by the one member. In retaining the service areas the Commission heeded the long local government tradition of the Anchorage area in such service delivery and financing approaches. As has been noted, it is doubtful that the Charter could have been approved without a service area provision.

### Openness of Government

This issue consumed a very great portion of the Commission's time in view of several factors. There was the feeling that previous charters did not emphasize this issue enough. This was the time of the Watergate "fallout" and the feeling that people were turning away from government. Several Commission candidates had forcefully voiced this issue in their campaigns. The public opinion polls indicated the need to stress responsiveness and openness. The greatest change, however, came in the inclusion of Article II - Bill of Rights - in the final draft of the Charter.

Among the important features of the Charter providing for openness of government were the community councils, service area boards, conflict of interest provisions, ombudsman, boards and commissions, the Equal Rights Commission, a Commission on Salaries and Emoluments of Elected Officials, and the bill of rights. The discussion of these features centered on the means of giving citizens access to their local government.

### Long-range Planning

This issue was accommodated by several Charter sections which were intended to force the new government to plan. The Assembly was required to meet at least four times yearly with the School Board in public session. Public hearings were required for adoption of the budget. Six-year fiscal and capital improvement plans were required. A Planning Article, XII, required the preparation of a "comprehensive plan setting forth goals, objectives, and policies governing the future development of the municipality."

### Transition Period

The details of the transition period were of grave concern to Commission members in their efforts to ensure a smooth transfer of powers and functions. As suggested by the experience of the City and Borough of Juneau, the transition period was lengthened to reduce the need for any decisions by crises. The Charter required an orderly procedure for organization of the Executive Branch allowing the Mayor almost seven months to propose the plan to the Assembly for adoption. For the legislative branch, the Commission followed the recommendations of several advisors and did not continue the City Council or the Assembly. Detailed schedules set forth the budget calendar. Other sections provided for ordinances, conflict with prior law, existing rights and liabilities, employees, assets and liabilities and utility profits.

### Candidates and the Charter on the Same Ballot

There was considerable debate on whether the Assembly and Mayoralty candidates should be on the ballot with the Charter. Those who favored separating stressed the need to retain the pureness of the document and allowing the voters to vote only on the Charter. Those who wanted to combine took the pragmatic position that that tactic would help ensure that the charter would pass because candidates would deluge the public with pro-charter campaigns. The Commission voted to combine the two on the ballot.

### Final Commission Vote on the Charter and the Campaign

The Commission "signed off" on the Charter on July 21, 1975. The next move was up to the voters. The Commission wanted to place the charter on the ballot for the regular election scheduled in October, 1975, thereby avoiding the expense of a special election. However, a number of severe complications led to the decision for a special election in September 1975; complications such as voters would be voting on the Charter, Mayor, and Assembly candidates for the new government if the Charter were approved; voters would also be voting for elected officials of the borough because this was the regular time for that election, and it was necessary to provide continuity of existence for the borough if the voters did not approve the charter. These complications would have been very confusing to the public and unfair to candidates who might have wanted to run for office under the proposed new government and also for the borough seats if the charter were turned down.

The alternatives to the special election were not favorable. The city election could not be postponed because the City Charter mandated the election in October and a postponement would have required a Charter change. The date for the borough election was established by ordinance and could have been changed with less difficulty.

### The Campaign

The campaign was carried primarily by the members of the Charter Commission. They had agreed that, although there were differences of opinion on different sections, they should go out as a united voice because it was more important to get the charter passed than to re-hash individual issues. Another important Commission policy was on the approach in presenting the charter to the public. A strategy of stressing the credibility of the Commission and the virtues of the Charter document was adopted in lieu of a more "hard-sell" approach.

The Commission office set up contacts and Commission members made presentations to every organization that wanted a speaker. There was also an active media campaign and excellent press. The members did not use a door-to-door or "coffees" approach as several had done in their own campaigns. The Commission published and distributed a pamphlet, "A New Government For Anchorage," which contained fifteen questions and answers and the Bill of Rights from the Charter. Questions included: Do we need a new government? Will the new government be more responsive to me? Is there an apportionment plan in the Charter? Who will be running the new government? Will my taxes go up? Are the rights of the present borough and city employees protected under the Charter?

Among the points made by the Commission members in their presentations were the age and experience of the Commission members, the non-city and non-borough perspective maintained throughout, the number of meetings held with various groups, the people's right to be involved in government, the rights of employees, and the simple, straightforward language of the Charter. The Commission members did not mention huge savings but rather stressed efficiency and the probability that unification would slow down the growth of government while the area continued to grow.

The opposition to the Charter came from the strongly conservative groups and from the residents of the Eagle River-Chugiak area who were eligible to vote.



## CHAPTER VII

### POST-UNIFICATION

It is fair to characterize the post-unification period as starting with chaos, and working on through sorting out, resolution, and the onset of institutionalization. The pluses, which worked in the favor of the officials responsible for getting the new government going, included a well-conceived Charter which provided guidelines without unnecessary details and a group of competent, dedicated officials. The minuses included the inability or unwillingness of some employees and officials to accept the new structure or the officials responsible for it.

It is the intent of this section to describe the events which took place to get the government going.

#### Charter Provisions

The framers of the Charter wisely decided on a general, rather than a detailed document. A more detailed document might have prevented some of the chaos which occurred in the early days by providing organizational structure, procedural guidelines and other instructions to officials. It is likely, however, that the detailed document, so helpful in the very early stages, would have become a cumbersome administrative burden in the day-to-day operation of the government. As it was written, the Charter provided for the Assembly with the "legislative power": the power to appoint the Clerk and Ombudsman and other staff as required; the authority to adopt an administrative code, provide for boards and commissions, and, unless otherwise provided, confirm mayoral appointments to the boards; the power to create or designate itself as a board of review, adjustment, or equalization; establishment of community councils and service areas or assessment districts; power to adopt and implement a comprehensive plan; authority to approve budgets submitted by the mayor and to provide for competitive bidding and financial audits; sole power for the taxing and the sale of bonds; and power to review and approve the mayor's plan of organization of the executive branch of the government. It is to be noted that each of the sections dealing with the foregoing powers is couched in general terms, leaving substantial areas of discretion to the Assembly and the executive branch.

Of particular importance to the immediate post-unification period was Article XIX, Transition. The sixteen sections of this Article provided specific details: the initial election and provisions for run-off elections if required; initial terms of Assemblymen; organization of Assembly; the need to adopt a Code of Ordinances by September 1, 1977; Assembly review of the mayor's proposed organization plan for the executive branch within six months after the adoption of the Charter; provisions for employee rights and benefits; the fiscal year and specific dates for consolidated budgets and financial reports; and the appointment of a Commission on Salaries and Emoluments to establish the compensation of elected officials.

### The First Chaotic Days

Immediately following the election, public services continued, it might be said, as if nothing had happened except at the top echelons with the job of putting the new government together. The mayors of the two former governments were the candidates for the office of Mayor and there was no short or long-range planning done pending the outcome of the election. (There was some contingency or "what-if" planning in some departments, but this could not be official because the city and borough department heads did not know what the organizational structure was going to be and what their role was to be in the new government, if approved.)

The Mayor's first move was to send three names to the Assembly for confirmation to three positions; all of which were mandated by the Charter. The Mayor chose Douglas Weiford to be the Municipal Manager. Weiford had been City Manager for 14 months during which time the Mayor had been Mayor of Anchorage. Weiford had 26 years of professional experience in local government as city manager and consultant. He had also served as Commissioner of Administration for the State of Wisconsin. The Mayor named Rick Garnett as Municipal Attorney. Garnett had been Charter Commission Attorney with prior legal experience with the Office of Attorney General of the State of Alaska and in private practice. For the Chief Fiscal Officer position, the Mayor named Norman Levesque, who had been the Director of Finance for the borough, and prior to that, had been Director of Finance for the City of Anchorage. In these appointments, Mayor Sullivan revealed a pattern he was to follow in naming some others to posts in the new government. The pattern stressed several criteria, e.g., competence, a balancing of appointments from officials of the former city and borough and other factors.

This backbone of the eventual management team began the overwhelming task of sorting out the problems to be solved: "In the days immediately following unification, uncertainty set in and employee morale was noticeably shaken. There were literally no bosses, no one at the department or division level who was officially in charge, and no immediate answers for a variety of vital questions. A kind of organizational paralysis developed."\* As these officials surveyed the situation, they realized the extent of their obstacles. There were two Personnel systems with 17 major and 40 minor differences in salary structures, classification plans, benefits, etc. There were 9 union contracts. There were different fiscal years and budgets.

### Organizational Structure

Within a month the Mayor submitted an interim organizational plan to the Assembly. He noted that the Charter provided an additional five months in which to submit his final organizational plan but he wanted the interim plan to provide the necessary policy and guidance to employees, officials, and the public.

The principal feature of the organizational plan was the adoption of the "agency plan", reducing the number of major departments to eight. Without some consolidation of functions, the number of people reporting to the Mayor and Municipal Manager might have been as high as thirty-five or forty, given the very broad range of services and activities provided by the Municipality. (For example, the Municipality is at least the second most diverse conglomerate in the State with activities ranging from a port, telephone utility, police, fire, public works, health, library, museum, parks and recreation, and others.) The organization presented to the Assembly showed the seven major departments and six staff offices, including comprehensive health planning, planning staff, personnel, management and budget staff, social and special services and public information. The Assembly members generally accepted the Mayor's plan; however, they insisted on ascribing departmental status for the Planning function. The interim organizational plan went through several minor revisions before approval. With Assembly approval, the Mayor appointed department heads who, in turn, began the selection of division heads for approval by the Mayor and Assembly. The only "agency" head position not filled was that of Public Safety with the Mayor and Manager preferring to have the Police, Fire, and Civil Defense Chiefs reporting directly to them.

\*D. Weiford and R. Somers, "Unification of Anchorage," Western City (March 1976), p. 10.

In accordance with the transitional article of the Charter, the Mayor submitted his final plan about six weeks before the deadline. The discussion of this recommendation generated a good deal more interest than did the interim plan. Several members of the Assembly and the Charter Commission objected to the provisions for budget preparation believing that the Office of Management and Budget weakened the position of Chief Fiscal Officer, which had been mandated by the Charter. Although the Charter language did not give the budget preparation responsibility to the Chief Fiscal Officer, it was their opinion that that was the intent. To respond to these questions and comments the Mayor and Municipal Manager, with the support of the Urban Observatory staff of the University of Alaska, Anchorage, prepared a strong statement of management philosophy. This philosophy stressed the need for budget preparation as an integral part of the management planning function and, therefore, necessarily in an organizational setting as close as possible to the Mayor's management staff. The paper also demonstrated the many vital points at which the Chief Fiscal Officer is involved in budget preparation and execution. Among other, but less critical, issues were the organization of the Office of Mayor and the division of responsibilities between the Mayor and Manager and the providing of staff services to the Assembly by members of the executive branch. A good deal of discussion was directed to the limited reduction in the number of positions following unification. The transition article of the Charter says that the plan of organization of the executive branch "...shall provide for elimination of unnecessary duplication." (Section 19.10)

In explaining the reasons why reductions were not greater, the staff concluded: unification did not affect the major services, such as police, fire, utilities and others; population growth and new services more than offset any elimination of duplication; and unification had not been "sold" on the basis of economies but rather on greater effectiveness and political participation.

### Physical Locations

Shortly after unification the Mayor and Municipal Manager contracted with a University of Alaska, Anchorage faculty member to develop a facility plan to bring the two governments together. Within ten days, the plan was approved by the Mayor and two departmental moves were started. Shortly thereafter, the balance of the departments so affected were moved, but the details of the move were not worked out with the departments and there was a great deal

of confusion adding to the already prevalent feeling that unification was chaotic. The officials responsible for the moving claimed their strategy was to move city and borough people together and the confusion would help meld them into a unified team.

The physical location plan combined printing and duplicating shops, records and microfilm, form control, law libraries and others. The government remains scattered over many buildings and locations but at least the major functions are together. Several relocations have taken place since the original plan as departmental expansions have taken place and space - or facilities - have become available. A subsequent space study was not adopted when employee opposition to a move demonstrated their seeming content with the original plan. The final solution to physical location will come only with a very detailed analysis of the total present and projected needs and the construction or acquisition of facilities which will bring the functions together for more effective performance and service to the public.

#### Employee Attitudes and Morale

Unification meant drastic change for virtually every employee of the government: new bosses, work stations, rules and policies, co-workers and just about every facet of their working lives. Perhaps the results were predictable, but, given the uncertainties of the election process and the deliberate brevity of the Charter, there may have been few methods of implementing the changes which might have reduced employee anxieties. An apt description of the early days has been given by one of the concerned officials some 16 months after unification:

"As the programs began a settling-in period, employees of each former government huddled together, took coffee breaks and lunch together and generally proceeded with a cold war. In order to combat this problem, most former borough employees were assigned city supervisors and former city employees were supervised by borough supervisors. It was hoped that at least through staff meetings communications would be established and mutual understanding of problems would be confronted. Dual payrolls, dual personnel regulations, dual accounting procedures, different names for like forms, and, when in doubt, who to call."

He continued: "There is still a tendency on occasion to compare 'how we used to do something' and a reluctance at times to adjust, but in most cases the heavy work load

that has resulted...kept the staff too busy to find time for bickering. Most of them work long hours, well into the evening, which has resulted in a feel of "pulling together to get the job done."

At the same time, i.e., about 16 months after unification, another department head noted a different set of circumstances: "Managerially, the major problem was development of a sense of unity among the (staff). Given the history of political and legal conflict between the old city and borough, there was bound to be some feeling that the old city had won out in the election of Mayor Sullivan. This feeling led in some cases to apprehension about job status. In addition, there were differences of political philosophy and style between the operation of the old borough departments and the philosophy which prevailed after unification."

The merger of the two fire departments presented the Fire Chief with many personnel problems. As discussed later, a major problem was that of union and pay scales; however, there were other substantial differences due to the nature of the terrain and structures encountered by the former departments. The former city department was contained in rather compact area with a greater population density, more commercial and industrial and "high-rise" structures. The former borough department encountered a wider geographic area, foothills, lower density, less fire-fighting aids, e.g., hydrants. In reflecting on the situation, the Fire Chief has written: "In order to offset the former separatist's attitude among the personnel of the former fire departments, I took two major steps to offset this: (1) we mixed up the personnel with about 50 percent from each former group being re-assigned to fire stations elsewhere in the district and (2) we established fire training programs which cover all aspects of personnel training through testing and training on up to multi-company operational training. The two former groups have melted into a common attitude in a remarkably short period of time."

#### Ordinances and Codes

The Charter provided for the adoption of a Code of Ordinances "not later than September 1, 1977." Prior to that deadline it was necessary to reduce the confusion created by the two sets of ordinances of the former jurisdictions. The Chief of Police noted in his assessment of unification efforts that the consolidation of the two traffic and criminal codes was necessary to allow officers

and the public to have only one set of traffic and misdemeanor laws. He also noted the elimination of confusion caused by different prosecutors and courts included in these cases.

The Municipal Attorney described the work on the Code as follows: "The primary remaining task is completion of the unified municipal code. Various code titles have met obstacles along the way to enactment. The major problem seems to be lack of a firm consensus as to whether the code should constitute an extensive revision of pre-existing law or look merely to the elimination of unworkable conflicts between the codes of the former city and borough. In any event, most code titles have some political and policy implications which result in delays, even those titles which do nothing but preserve the status quo."

#### Management Styles and Philosophy

There were different management styles and philosophies between the former city and borough and the carry-over of these into the "new government" has created some of the problems to be resolved. Mayor Sullivan has said that it is a "new government," not a merger of the two former governments. In form that is true; however, in substance the make-up is the employees of the former governments and they remember - and behave - in the old patterns. It is important to stress that these have steadily diminished, and hopefully will be non-existent in the future. It is also important to note that not all city administrators performed in the city style and the same is true of the former borough administrators. There were, however, differences and they did present some of the post-unification difficulties.

Perhaps the basic differences were in the scope of the services of the two governments and their longevity. The city had been in business since 1920 and had operated under the Council-Manager plan, with a long succession of competent, professional managers. The city was noted for its "hardware" operations, fairly regimented and institutionalized. On the other hand, the borough was fairly new; it had grown rapidly and its services were area-wide.

In looking back, the Municipal Attorney reflected on the differences as follows: "Generally speaking, the borough operation was much more loosely controlled. Individual lawyers exercised a great deal of autonomy and policy-making discretion. Lawyers on the borough side tended to see themselves more as defenders of various causes or ideals than was true of former city attorneys. This difference was due in part to the different roles played by the two governments, the old city being primarily a "hardware" operation, while the borough dealt more with "people problems

such as zoning, health, and environmental matters. Again, however, the difference related to the personalities and philosophies of the recruiting authorities."

The differences appeared in other ways. City salaries were higher than borough salaries except in case of supervisors. The borough had more and newer equipment. The borough seemingly had a less rigid pre-expenditure control, but an elaborate system of "charge-backs" after the expenditure.

Many months after unification, the differences remain. Employees still say "we used to do it this way in the (city or borough)." There has been a difficult adjustment period. The differences have taken their toll of effectiveness.

#### Financial Administration

The managing of the Municipality's financial resources provided a particularly vexing set of problems throughout the post-unification period. The Charter contained a strong section on finances that was aimed primarily at the post-transition period. The transition section of the Charter, however, provided a specific timetable for conforming the different fiscal years of the two former governments. The GAAB had operated on a July 1 to June 30 fiscal year while the city had operated on a January 1 to December 31 fiscal year.

The conforming process meant that municipal officials did not have single operating and capital improvement project budgets until January 1, 1977. Until that time they had to operate with as many as three operating budgets, as well as service area and CIP budgets. There was virtually a continuing budget preparation stage throughout the early transition period as noted in the following periods:

September 1975 - December 31, 1975 - operated under the budgets in force at the time of unification;  
 January 1, 1976 - June 30, 1976 - operated under a new "city" budget adopted for all of 1976 plus the remaining six months of the "old borough" budgets;  
 July 1, 1976 - December 31, 1976 - operated under the new "city" budget for the remaining six months plus a new transition budget for the "borough" as required in the Charter transition section.  
 January 1, 1977 - December 31, 1977 - the first Municipality budget.



The accounting systems of the two former governments were in effect until early 1977 and were run dually in their previous modes as well as with a management information system which was intended to unify the two accounting systems while, at the same time, providing a highly sophisticated financial management tool. To develop the system, the Municipality awarded a very sizeable consulting contract to a leading certified public accounting firm and also committed sizeable expenditures for staff time and hardware acquisitions. The many delays in getting the system "up and running" have led some to conclude that it was a mistake to attempt the unification of two accounting systems concurrently with the development of a highly sophisticated management information system.

The administrative organization for the managing of the financial resources consisted of the Department of Finance and the Office of Management and Budget. The Department of Finance included the department head and his staff, Controller Division, Property Appraisal Division, Treasury Division and Purchasing Division. This represented a merging of the very substantial accounting activities of the former city, which included the utility accounting for municipal light and power, water and sewer, telephone, as well as the area-wide functions of the GAAB in administering the property tax and other revenue measures.

As previously noted, the budget function was assigned to the Office of Management & Budget to retain that essential policy-formulating process very close to the Mayor and Municipal Manager.

#### Personnel and Labor Relations

Unification brought together the personnel systems of the city and the GAAB with nine different labor agreements (7 for the city and 2 for the borough) and 17 major items and 40 minor items of conflict concerning pay, fringes, etc. These very substantial differences created severe problems in the initial merging of departments and then in the ongoing personnel management of the line departments, the staff offices, and at the level of the Mayor and the Municipal Assembly. For example, the merging of the two fire departments brought employees side-by-side with different titles, rates of pay, and fringe benefits, and two IAFF locals. These differences persisted for many months while officials developed remedying solutions.

Two of the major remedying solutions were the Employee Relations Ordinance (see Appendix) and the Personnel Regulations.

The development of the Labor Relations Ordinance was seen as a critical initial step to establish the labor relations policies of the Municipality, to reduce the number of labor agreements, and to lay the groundwork to correlate the labor agreements with the Municipality-wide personnel regulations. The development of the Ordinance was assigned to a committee which consisted of representatives from the Mayor's staff, the Assembly, and several unions. The committee prepared a draft and submitted it to the Mayor for presentation to the Assembly. The Ordinance was adopted after a series of public hearings, work sessions, and public debates, trying to reconcile the differing views on the comprehensive Ordinance. Major elements of the Ordinance were the creation of a Labor Relations Board, the establishment of ground rules for labor negotiation, general policies of the Municipality regarding employee organizations, and the grievance procedure. The Ordinance also gave the Assembly the authority to define bargaining units. In another ordinance, the Assembly did define and designate five bargaining units by naming the units and designating which classifications would be represented by each. The Ordinance also provided for representation methods. Thus, the number of agreements would be reduced from nine to five. In one of the representation selections, there were three elections and court cases. The Municipal officials were primarily observers as the two unions battled to be the bargaining unit.

The Charter had provided that labor contracts in force at the time of unification would remain in force until re-negotiated. This provision, plus the labor relations Ordinances, set the framework for resolving the conflicts between the personnel policies and practices of the two former governments, at least as far as the unionized employees were concerned. A particularly complicating factor was a provision of the labor agreement which had been accepted on the eve of the unification election. At that meeting, the Borough Assembly approved a labor agreement with a union representing non-craft employees. This agreement, negotiated by union and management personnel of the borough, included a clause which provided that, if unification occurred, the agreement could be reopened for negotiations on wages and benefits for parity between that union and one or more of any of the other bargaining units. (The agreement had provided for a 20% salary increase.) Immediately after unification, the union asked for a reopening for further negotiations to achieve parity with the provisions of the other contracts in force. (One particular problem was defining parity with the union preferring to demand parity when it meant an upward adjustment for members while rejecting parity when it meant a downward adjustment.)

The Personnel Regulations were adopted in May 1976. Until that adoption Municipality officials continued to operate under the ordinances and rules of the two former governments (for example, there were two classification and pay plans, two grievance procedures, etc. for those employees not covered by labor agreements.) The Personnel Regulations are becoming a part of each labor agreement adopted subsequent to the Labor Relations Ordinance and the Personnel Regulations.

#### Mayor and Assembly Relations

The Charter provided for a strong mayor position and a strong legislative body. The two former governments had strong legislative bodies so that the concept was not unfamiliar to the newly-elected Assembly members, many of whom had served on the GAAB Assembly and/or the City Council. The strong executive position was new and the transition period provided several episodes of disagreement. One of these dealt with staff support for the Assembly and, although the Charter provided that the Assembly could "engage such legal counsel, other professional advisors and staff as it requires in the execution of its legislative functions," (Article IV, Section 4.06, Anchorage Municipal Charter), it was decided that executive departments would supply the services upon request. Another matter dealt with control of the agenda for Assembly meetings. Some Assembly members thought that the Mayor should not have control of Assembly proceedings. The Mayor contended that the agenda consisted mainly of materials from departments of the executive branch presented to the Assembly with the Mayor's approval and, therefore, the Mayor should prepare the agenda. The Mayor prevailed and established an Agenda Control staff in his office to handle the very large volume of material for the Assembly's busy schedule.

Although the Charter provided only that the Assembly meet at least twice a month, the Assembly maintained a very heavy schedule for over a year with two official and two or three work sessions each week. The Mayor has attended almost all of the official sessions and many of the work sessions. (In accordance with a Charter provision (Article XVII, Section 17.05(b)), Assembly meetings do not extend beyond midnight. This Charter provision was included in response to severe public criticism of the former GAAB Assembly which often continued beyond midnight with the city-borough bickering.

The Charter provided for a Commission on Salaries and Emoluments, (Article V, Section 5.08) "which shall establish the compensation, including salaries, benefits, and allowances, if any, of elected officials." The

Commission was appointed and its recommendations on the Mayor's salary and emoluments were challenged by some Assembly members who believed that he was not entitled to seniority pay based on his prior service with the city.

A prolonged battle between the Mayor and some Assembly members was generated over the ordinance prescribing the powers and duties of the ombudsman. The Charter Commission had included the office of an ombudsman to assure the electorate the unified government would be responsive. Provisions for the office were included under the Article establishing the legislative branch (Article IV, Section 4.07). Some Assembly members favored a strong ombudsman position with such powers as that of subpoena of departmental records so as to insure complete and thorough review of departmental actions. The Mayor vetoed the ordinance with that provision and, after considerable discussion and adjustment, a somewhat "watered-down" provision was approved.

#### Boards, Commissions, and Community Councils

The Charter provides for advisory, regulatory, appellate or quasi-judicial boards or commissions upon adoption of an ordinance by the Assembly (Article V, Section 5.07.) In March 1977 the Assembly adopted an ordinance with five categories. The categories and boards and commissions included in each are:

1. Commission on Salaries and Emoluments; Election Commissions
2. Regulatory and Adjudicatory Boards and Commissions  
Air Pollution Control Commission; Anchorage Port Commission; Board of Building Regulation Examiners and Appeals; Board of Ethics; Board of Mechanical Examiners and Appeal; Board of Equalization; Employee Relations Board; Personnel Review Board; Planning and Zoning Commission; Platting Board; Transportation Commission; Zoning Board of Examiners and Appeals
3. Technical Advisory Boards  
Anchorage Economic Development Commission; Bidder Review Board; Budget Advisory Commission; Investment Advisory Commission; School Budget Advisory Commission
4. Program Advisory Boards  
Civil Defense and Disaster Advisory Commission; Historical and Fine Arts Commission; Historical Landmark Preservation Commission; Library Advisory Board; Medical Advisory Board; Municipal Health

- Commission; Opportunities for the Handicapped Commission; Parking and Traffic Commission; Public Transit Advisory Board; Senior Citizens' Advisory Commission; Sister City Commission; Urban Beautification Commission
5. Utility Commissions  
 Anchorage Telephone Commission; Anchorage Water Commission; Municipal Light and Power Commission.

In another measure of providing responsive government, the Charter Commission included a separate article on Community Councils (Article VIII.) The article prescribes adoption of an ordinance with procedures for "negotiation between the local government and each community council with respect to the duties and responsibilities of the community council." Such an ordinance was adopted; the Municipal Clerk's office includes a community council coordinator position. The number of councils has grown steadily as has their degree of involvement. Some have been very effective means of conveying community desires to the legislative and elective branches, but others have suffered from apathy and lack of organization.

#### Conclusion of the Transition Period

It could perhaps be expected that one measure of success of the unified government might be an end of the transition period. However that might be defined, there was probably some point when the number of new issues outnumbered those of dealing with problems of merging two governments or developing strictly procedural details for the new government. The perspective would probably vary depending on the department or program from which the view of transition is taken. For example, the adoption of the Municipal Code represented a truly significant landmark because of the number of policies which went into the codification. The Code has been adopted; the legal staff, the executive, and the Assembly can now be wholly concerned with the "new" legal business. From the perspective of personnel management, the transition is not yet complete because there remain some position classification matters, involving the continuing problem of parity, which must be resolved. (A study of some 800 positions by an outside consulting firm created a storm of protest and the Assembly side-stepped the issue.) On the accomplishment side of personnel management, the governmental officials, both legislative and executive, may point with pride to the labor relations ordinances and the personnel regulations.

From the perspective of financial administration the troublesome problems of the management information system represented a true sense of frustration and non-accomplishment on the part of municipal officials. When the system is finally "up and running," it can truly be said that the unification has been complete.

The organization of the new government is, and has been, stable. Appointments of competent people have been made. There has not been a high amount of turnover. The Mayor, Municipal Manager, and department heads have worked together to create a management team and despite the heavy pressure of two years of transition, there is a strong sense of success and challenge.